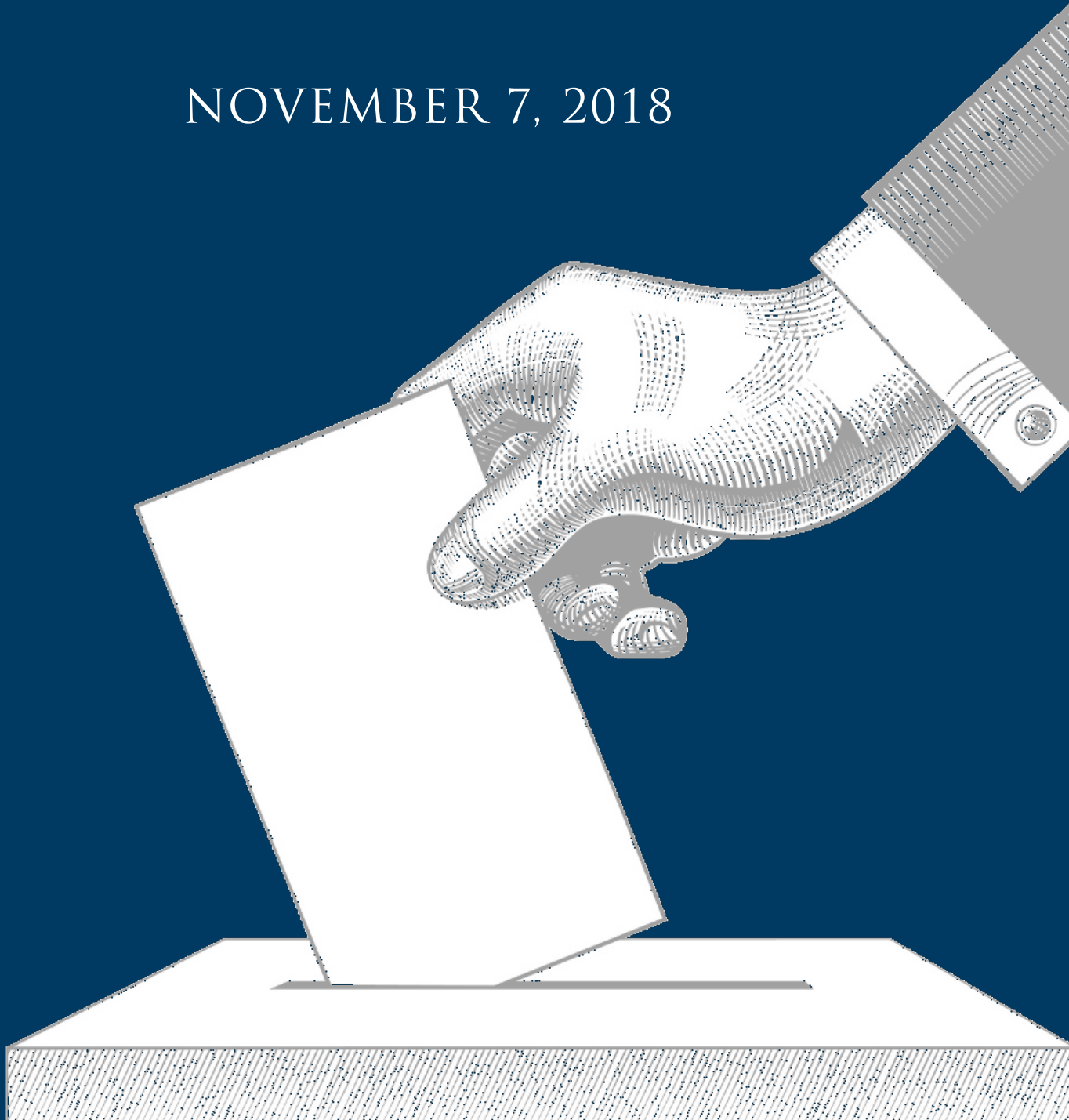




# 2018 ELECTION ANALYSIS

NOVEMBER 7, 2018



# TABLE OF CONTENTS

I.	OVERVIEW	2
II.	HOUSE	4
III.	SENATE	7
IV.	GOVERNORS RACES	10
V.	ISSUE AREAS	13
	A. AGRICULTURE	14
	B. APPROPRIATIONS	17
	C. CYBERSECURITY	21
	D. DEFENSE	24
	E. EDUCATION	27
	F. ENERGY & ENVIRONMENT	29
	G. HEALTH	32
	H. HOMELAND SECURITY	35
	I. INTERNATIONAL	37
	J. TAX	39
	K. TECH & TELECOM	42
	L. TRADE	44
	M. TRANSPORTATION	47
VI.	VIEW FROM THE STATES	50
	A. GEORGIA	51
	B. ILLINOIS	53
	C. IOWA	55
	D. LOUISIANA	57
	E. MARYLAND	59
	F. MISSISSIPPI	61
	G. TEXAS	63
VII.	APPENDIX	65
	A. HOUSE ELECTION RESULTS	66
	B. SENATE ELECTION RESULTS	70
	C. INCOMING & OUTGOING MEMBER LIST	72
	D. CBO BUDGET PROJECTIONS CHART	75
	E. KEY TRENDS	76

## DISCLAIMER

*Cornerstone Government Affairs has assembled the following report to assist our clients in providing results from the 2018 midterm election and understanding the implication of those results. We are aware that some information in this report may quickly become dated, and this may have an effect on the validity of some of our forecasts. We offer this report to our clients and friends as our best effort to assist you in evaluating the challenges and opportunities ahead. This report will be updated periodically.*

**November 7, 2018 (Version 1, 4:00 p.m. ET)**

# OVERVIEW

Voters delivered a split verdict in a highly contested and contentious election. This was the first midterm election since 1982 in which the President's party gained seats in one body of Congress while losing seats in the other. While we continue to digest exit polling data, it seems that the political polarization of America continues. Are today's candidates pushing the electorate further to the political edge, or are they simply reflecting that very electorate? Whatever your view, it seems likely that this polarization will make the collaboration and compromise required to solve our nation's challenges even more difficult to achieve in the 116th Congress.

Democrats regained a majority of the U.S. House of Representatives at the same time Republicans expanded theirs in the U.S. Senate. While the Republican Party's defeat in the House was "conventional wisdom," it was salvaged in part by a Senate map that had the GOP defending an abnormally low number of seats and the Democrats defending multiple states that backed Trump in 2016, including Indiana, Missouri and North Dakota. Also dictating the tenor of Senate races was the aftermath of Brett Kavanaugh's confirmation to the Supreme Court. That bitterly divisive process served as a motivating factor on both sides of the political spectrum. Exit polling may help us understand if it was a net plus for the Republicans or the Democrats. Regardless, it certainly had an impact.

What else had an impact? Women. 2018 may forever be known as the Year of the Woman. A surge of female candidates produced a record-breaking number of women elected to Congress. Overwhelmingly, they were Democrats and contributed significantly to shifting control in the House of Representatives. Women also made significant inroads in gubernatorial races, most notably in Kansas and Michigan. Finally, and maybe most importantly, women accounted for a majority of voters in this year's midterm election (approximately 52 percent) and a majority of those voted for Democrats.

In a historical sense, midterms are always a referendum on the sitting president. In 36 of the last 39 midterm elections, the party in the White House has lost an average of 25 House seats in Congress. Suburban voters moved away from President Trump as Democrats appeared to pick up at least 26 seats and possibly as many as 37, when all votes are counted. Democratic gains were not limited to Congress, as the party seized control of enough Governor's mansions and state legislatures to put the parties on almost equal footing heading into the 2020 cycle. The Senate, meanwhile, was a different story, as Republicans picked up at least three seats, and possibly as many as four.

While many Democrats running in red states sought to localize their election and avoid directly confronting the Administration, President Trump was the animating force of the 2018 campaigns and in fact declared himself to be on the ballot. He campaigned aggressively across the swing states with a message designed to motivate his core supporters. While the President's efforts

brought significant energy to Republican campaigns, particularly in Senate races, the results were somewhat of a mixed bag depending on the geographic region of the country.

But if the 2018 election was a referendum on Trump, it is unclear if his politics, his style (see Twitter), his policies or a combination thereof was the driving factor. In the days leading up to the election, he made clear that our military forces—which are mobilizing to the southern border—are the first line of defense against the migrant caravan heading through Mexico to the United States. While this mobilization galvanized the right, it also complicated some Republicans' efforts to tout a message of economic prosperity in more moderate suburban battlegrounds where many of the House elections were decided.

While Republicans campaigned mostly on immigration and the strong economy, Democrats emphasized health care, particularly on the need to protect coverage of preexisting conditions. Exit polling demonstrates that health care was very important to voters and that by substantial margins they trusted Democrats more than Republicans on the issue. It was an ironic sequel to 2010, when Tea Party attacks on the Affordable Care Act (aka Obamacare) brought Republicans the majority in the House.

With passions running high in both parties, turnout was stronger in 2018 than in any midterm election since the 1960s. With votes still to be counted, an estimated 113 million people cast their ballots this year, compared to 83 million in 2014. Americans also took unprecedented advantage of growing opportunities to vote before Election Day. This was particularly evident among youth voters (age 18 to 29), nearly twice as many of whom voted early this year than four years ago.

How do nonprofits, companies and institutions make sense of all this? At Cornerstone, we take pride that our firm has achieved unparalleled success for our clients by bringing to bear subject matter expertise, a keen understanding of process and active political engagement with policy makers on both sides of the aisle. While the split verdict by voters means divided government, with gridlock likely, Cornerstone will continue to position our clients for success.

And for those political junkies who will experience something of an election hangover now that the attack ads, calls, and knocks at the door are over, fear not. The 2020 presidential election campaign begins in earnest today.



Geoff Gonella  
*President & Managing Director*  
Cornerstone Government Affairs

# U.S. HOUSE OF REPRESENTATIVES

Democrats won the big prize of the midterms, gaining control of the House of Representatives for the first time in eight years. The result will completely upend the relationship between Congress and the Administration, as Democrats will gain the power to control the House calendar, conduct investigations, subpoena executive branch officials and schedule hearings. Pressure from the party's left wing to begin impeachment proceedings against President Trump will mount immediately, while moderates will warn against overreaching.

The midterms were in large part a referendum on Trump. For months, Democrats had been counting the days until Nov. 6 for the chance to express their anger over his policies. Now that they control the House, they will attempt to stymie Trump's agenda at every turn. But their narrow margin of victory will also present challenges for the new majority, starting with leadership elections later this month. With an eye toward the 2020 presidential campaign, the party's progressive and center-left factions in the House could spend the next two years battling for the upper hand in shaping the Democratic platform.

House Republicans, meanwhile, will have opportunities of their own, as Democrats who won election in Trump-friendly districts will be wary of moving too far to the left. The GOP may find that several of their colleagues on the other side aisle may be willing to defect on controversial votes.

The changing demographics of the House will also be an interesting dynamic to watch in the 116th Congress. Overall, House Democrats will become more diverse, younger and more female, while Republicans maintained their demographic profile, albeit with a smaller conference. Add these trends to an already highly partisan environment, and the outlook is clear: The next two years in the House will be a bumpy ride.

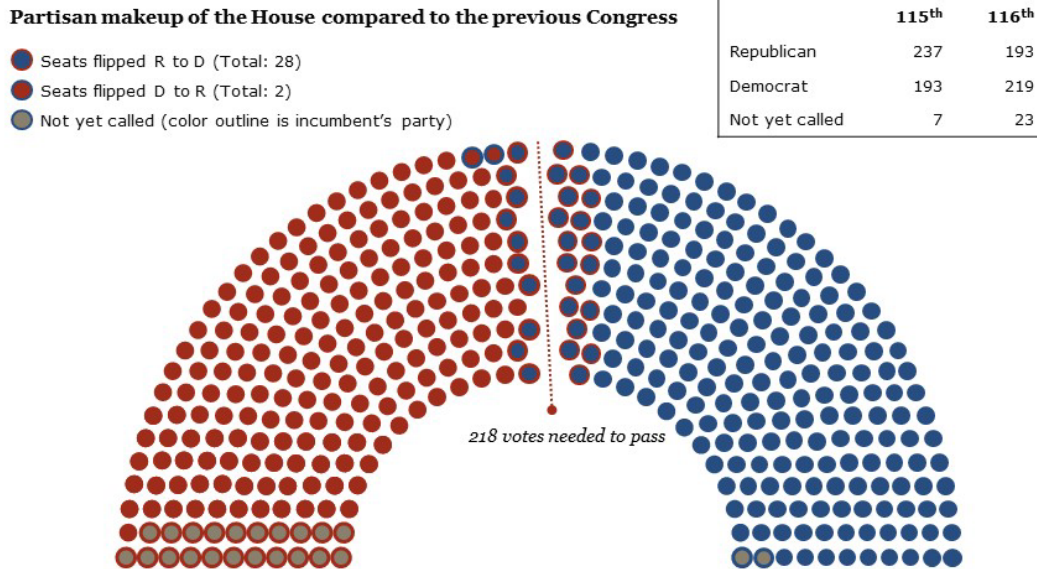
## DEMOCRATIC LEADERSHIP

Under most circumstances, the Minority Leader of a party that takes over the House would automatically get a promotion to Speaker in the next Congress. While this is still the most likely scenario, Nancy Pelosi (D-CA) was a polarizing figure in the midterm elections and could face significant internal challenges in her bid to regain the Speaker's gavel she lost in 2011. Several newly elected Democrats made campaign commitments to vote against her for Speaker, and she

### KEY TAKEAWAYS

- Democrats capture majority, will confront Trump at every turn
- Narrow margin may present challenges
- Pelosi is the likely Speaker, but no shoo-in
- Democratic caucus becomes more diverse, younger and more female

# Composition of the 116th Congress: House



Source: National Journal Research

faced four defections at the floor vote in January 2017. Prior to his unexpected primary loss to Rep.-elect Alexandria Ocasio-Cortez in June 2018, Democratic Caucus Chairman Joe Crowley (D-NY) was eyed as a possible replacement. Following Crowley's defeat, however, there is no clear successor.

Pelosi, meanwhile, maintains a strong following of her own, thanks in no small part to her prodigious fundraising efforts. Democrats may choose to give her one more term as Speaker, in what she has already acknowledged could be a "transitional" role, before handing the gavel to someone else.

Pelosi's fate could directly affect that of the other top Democratic leaders, Democratic Whip Steny Hoyer (D-MD) and Assistant Democratic Leader James Clyburn (D-SC), who could also be pushed aside if Democrats opt for generational change. A vocal wing of young Members in the House Democratic Caucus has been pushing for new blood in leadership over the past two Congresses. That group—led by Reps. Tim Ryan (D-OH), Reuben Gallego (D-AZ), Seth Moulton (D-MA), Filemon Vela (D-TX), and others—backed Ryan's unsuccessful challenge to Pelosi before the start of the 115th Congress.

If Pelosi is deposed, the likeliest alternative might be one of her trusted lieutenants, such as Caucus Vice Chairwoman Linda Sánchez (D-CA) or Reps. Anna Eshoo (D-CA), Ben Ray Lujan (D-NM), Cheri Bustos (D-IL), or Hakeem Jeffries (D-NY). A consensus fallback candidate like Reps. John Lewis (D-GA) or Don Beyer (D-VA) could also emerge for one of the top leadership spots.

Voting blocs within the Congressional Progressive Caucus, Congressional Black Caucus (CBC), Congressional Hispanic Caucus, and New Democrats will all play key roles in choosing new leaders and Committee assignments, as they seek diversity within the House Democratic power base. CBC Chairman Cedric Richmond (D-LA) recently laid down a marker, saying he expects one of its Members to hold at least one of the two top jobs next year.

Democrats have scheduled their internal elections for Nov. 28 and 29, although the official vote for Speaker on the floor of the House will not take place until January.

## REPUBLICAN LEADERSHIP

Republicans have set their leadership elections and organizing conference for Nov. 14 and 15. Majority Leader Kevin McCarthy (R-CA), who has been highly successful in raising funds for his GOP colleagues, will seek to remain the leader of the new minority. He will be challenged by Rep. Jim Jordan (R-OH), who announced his candidacy this morning. Current Whip Steve Scalise (R-LA) and Chief Deputy Whip Patrick McHenry (R-NC) are likely to remain in leadership. Rep. Cathy McMorris Rodgers (R-WA) may seek to keep her position as Conference Chairman, although Rep. Liz Cheney (R-WY) could jump into the race as well. Watch for Rep. Jason Smith (R-MO) to keep his position as conference secretary, and Reps. Mark Walker (R-NC) and Susan Brooks (R-IN) to seek the Vice Chair of the Republican Conference.

## LEGISLATIVE/POLITICAL AGENDA

Republican control of the Senate will make it difficult for House Democrats to advance much of their legislative agenda. But the new majority may find occasional areas of agreement with Trump, with infrastructure, judicial reform and drug prices as likely possibilities. The potential for some form of immigration deal on Deferred Action for Childhood Arrivals (DACA), visa reform and border security could surprise onlookers in 2019.

Expect Democrats to prioritize legislative goals that are crucial to its base in advance of the 2020 presidential election, including health care and gun control, while conducting vigorous oversight of the Trump Administration. One of their first items of business will be to agree on new budget caps for FY 2020. (See Appropriations section for more details.)

Republicans, meanwhile, will be forced to adjust to life in the minority. Their path back to the majority will consist of trying to force Democrats to take as many difficult votes as possible.

***Please refer to Appendix A for House election results, as of time of publication.***

# U.S. SENATE

Republicans widened their majority in the Senate by at least three seats, putting the GOP on track for a 54-46 margin or better to start the next Congress. The Florida and Arizona races remained too close to call at time of publication. The special election in Mississippi to fill out the unexpired term of former Sen. Thad Cochran (R-MS) is headed to a runoff on Nov. 27, with Republicans favored to retain the seat.

Senate Democrats faced a difficult task coming into the election, having to defend more than half of its caucus with limited opportunities to challenge incumbent Republicans. With 26 Democratic seats up for grabs (including one special election in Minnesota), and many of those in deep red states that backed President Trump in 2016, the landscape favored the GOP—and Republicans largely delivered. Looking ahead, Democrats will welcome a more favorable map in 2020, when they will defend only 12 seats compared with 21 held by Republicans.

## KEY TAKEAWAYS

- GOP picks up at least three seats
- McConnell to extend record as longest-serving Republican Leader
- Schumer remains top Democrat
- Expect the Senate to be the center for policy negotiations between a Democratic House and Republican White House

## NOTABLE RESULTS

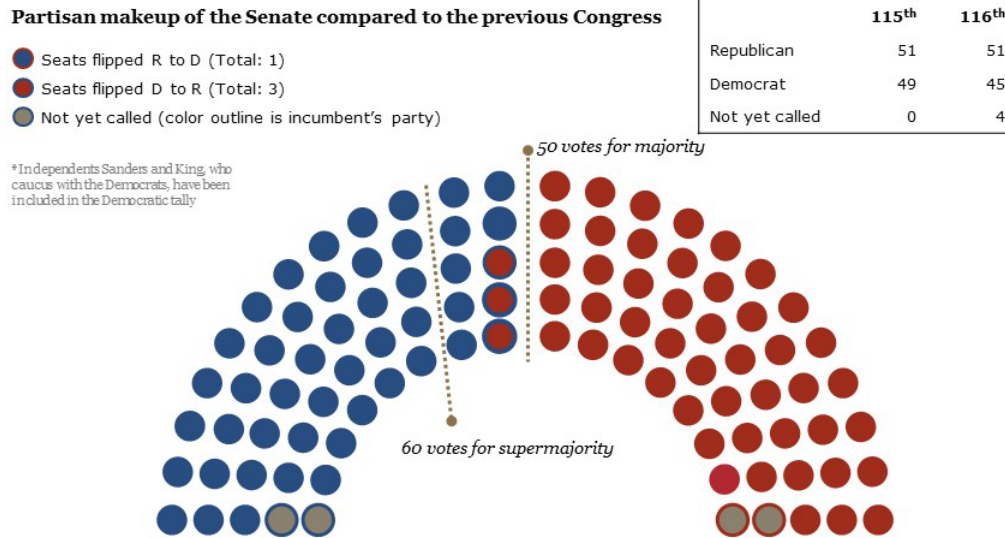
Republicans flipped at least three seats in the Senate. Rep. Kevin Cramer (R-ND) soundly defeated incumbent Sen. Heidi Heitkamp (D-ND). In a state that voted heavily for Trump, her poll numbers plummeted after voting no on Brett Kavanaugh's nomination to the U.S. Supreme Court. Former Indiana State Rep. Mike Braun won a decisive victory over Sen. Joe Donnelly (D-IN) in the Hoosier state, and Missouri Attorney General Josh Hawley (R) bested second-term Sen. Claire McCaskill (D) by six points.

Republicans were leading their Democratic opponents in two other Senate races that were too close to call at time of publication. In Florida, Gov. Rick Scott was narrowly ahead of three-term Sen. Bill Nelson in a race that saw more than \$130 million in spending. And in Arizona, Rep. Martha McSally held a narrow lead over Rep. Kyrsten Sinema in the race to succeed retiring Sen. Jeff Flake (R). If neither lead changes, Republicans will end up with a net gain of four seats.

Other new additions to the Senate Republican Conference include Rep. Marsha Blackburn (R-TN), who defeated former Gov. Phil Bredesen by double-digits, and Mitt Romney, the former GOP presidential candidate, won handily in Utah.

The lone loss for a GOP incumbent came in Nevada, where one-term Rep. Jacky Rosen (D) upset Sen. Dean Heller in the Silver State. Although Sen. Cindy Hyde-Smith (R-MS) failed to get the 50

# Composition of the 116th Congress: Senate



Source: National Journal Research

percent of the vote necessary to avoid a runoff, most pundits agree that she will prevail in the special election on Nov. 27.

## REPUBLICAN LEADERSHIP

Majority Leader Mitch McConnell (R-KY) surpassed Bob Dole's record as the longest serving Republican leader this year, and he will extend his service into the 116th Congress. Republican term limits rules will force Sen. John Cornyn (R-TX) to vacate his position as the Senate Republican Conference's Assistant Floor Leader (Whip). The caucus is expected to create a new role to allow Cornyn to maintain a leadership position by splitting his current Assistant Leader and Whip role into two distinct positions. That will allow others to move up a position: Sen. John Thune (R-SD) to Whip, Sen. John Barrasso (R-WY) to Conference Chair, and Sen. Roy Blunt (R-MO) to Policy Committee Chair.

The GOP Conference Vice Chair position would then be open, with Sens. Deb Fischer (R-NE), Joni Ernst (R-IA), Cory Gardner (R-CO) and Thom Tillis (R-NC) being the most frequently mentioned for the post. The National Republican Senatorial Committee Chairman post, currently held by Gardner, could return to Sen. Roger Wicker (R-MS), who held the post in 2015-2016. However, Sen.-elect Mitt Romney (R-UT) could use his national profile to benefit Republicans in that role.

## REPUBLICAN LEGISLATIVE/POLITICAL AGENDA

While McConnell's majority will have increased by at least three Members, the loss of the House will make the Republican Leader's job much harder. In the 115th Congress, the GOP-controlled

Congress achieved victories in tax reform, defense policy and appropriations. The Senate also confirmed 84 Article III judges nominated by President Trump: two to the U.S. Supreme Court, 29 to U.S. courts of appeals and 53 to U.S. district courts. Expect a continued emphasis in the Senate on judicial and executive branch confirmations, but momentum for some GOP agenda items will grind to a halt under a Democratic-controlled House.

The Senate will likely be the focal point for most policy debates, as it will serve as an intermediary of sorts between the Trump Administration and the Democratic majority in the House. One area of particular interest will be how Senate Republicans work with House Democrats on infrastructure legislation. Commonality of interests may be found on this issue, but resolving how to pay for infrastructure spending will be exceptionally difficult at best. Expect Senate Republicans to continue pressing on a host of agenda items such as surface transportation, telecommunications reforms and regulatory reforms.

## DEMOCRATIC LEADERSHIP

Though last night's results were disappointing for Senate Democrats, Sen. Chuck Schumer's (D-NY) position as Minority Leader is secure. Sens. Dick Durbin (D-IL), Patty Murray (D-WA), and Debbie Stabenow (D-MI) are also expected to remain in their respective leadership roles (Whip, Assistant Democratic Leader and Chairwoman of Policy and Communications Committee).

## DEMOCRATIC LEGISLATIVE/POLITICAL AGENDA

Democrats will continue to exert leverage in shaping policy due to the Republicans' lack of the 60 votes required by Senate rules to pass most legislation. Leader Schumer will focus his efforts on holding the caucus together while managing the individual interests—and ensuring attendance for key votes—of as many as nine Democrats considering a presidential run in 2020. Democrats are likely to join their House colleagues in pressing for legislation to reduce health care costs, particular for prescription drugs; promote college accessibility and skills training; and invest in infrastructure. A criminal justice reform bill, which passed the House earlier this year with support from scores of Democrats, is another possibility. The Democratic plan for a \$1 trillion infrastructure package—offset by returning the top marginal tax rate to 39.6 percent—will be unpalatable to most Republicans.

## 2020

The map for 2020, a presidential election year, will be friendlier to Senate Democrats. Democrats' top pick-up targets for 2020 will be Sens. Cory Gardner (R-CO), Susan Collins (R-ME) and Thom Tillis (R-NC), and they will watch closely to see if Sens. Jim Inhofe (R-OK), Pat Roberts (R-KS), and Lamar Alexander (R-TN) decide to run again. Republicans will focus on taking back the seat held by Sen. Doug Jones (D-AL), and possibly challenging Sen. Mark Warner (D-VA), but will concentrate mostly on protecting incumbents and any open seat races they currently hold.

***Please refer to Appendix B for Senate election results, as of time of publication.***

# GOVERNORS

Gubernatorial races are always critical in their individual states, but this year's elections will reverberate throughout the nation for at least the next decade. In most of the 36 states where the executive mansion was up for grabs, newly elected governors will play a key role in drawing congressional districts in the wake of the 2020 decennial census.

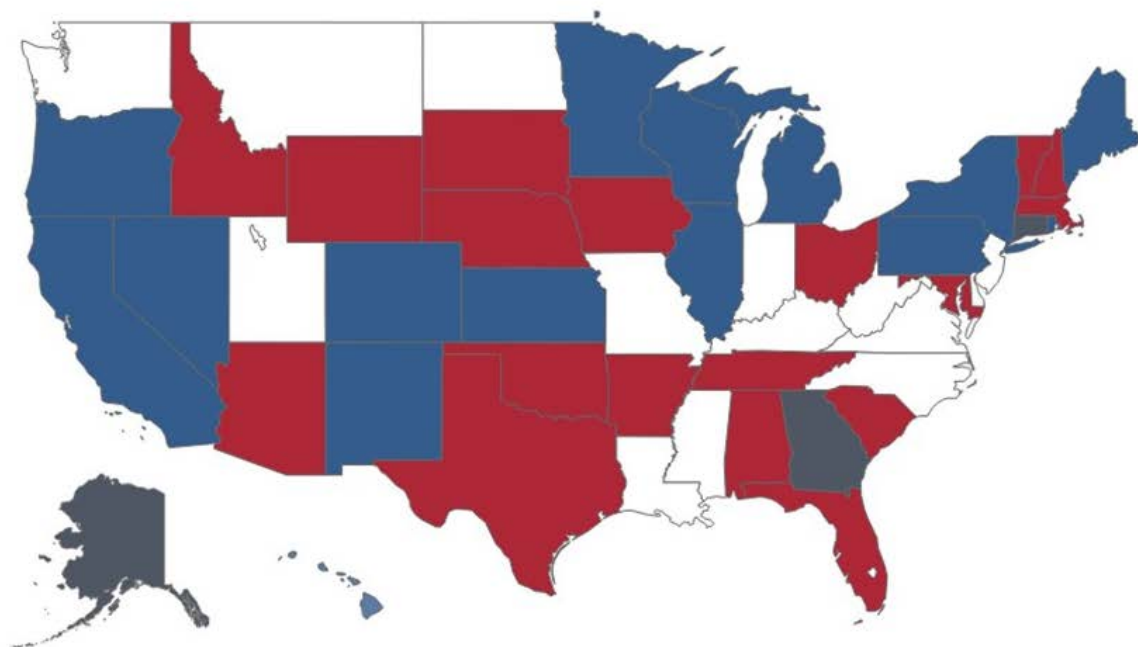
Democrats improved their standing by picking up as many as seven states that had been held by Republicans. Prior to Election Day, Republicans held 33 Governor seats compared with only 16 Democrats and one Independent (Alaska Gov. Bill Walker). Projections are that the number of Republicans will drop to 27, compared with 23 Democrats. Overall, of the 36 contested races, Republicans are expected to win 20 gubernatorial races with Democrats winning 16.

Highlights for Democrats include winning in Kansas, where State Senator Laura Kelley (D) capitalized on GOP support to defeat Secretary of State Kris Kobach (R). Wisconsin Democrat Tony Evers, the state schools superintendent, appears to have defeated conservative favorite Gov. Scott Walker (R) who had previously staved off multiple recall attempts. Republican victories include the reelection of Governor Larry Hogan (R-MD) in an otherwise deep blue state of Maryland, and Governor Charlie Baker garnering support from Massachusetts Democrats and Independents to earn a second term. Even with sizable gains, Democrats were clearly – and emotionally – disappointed by Republican victories in Florida and Georgia.

## GUBERNATORIAL RACES

### 2018 gubernatorial elections results map

■ Republican won (18) ■ Democrat won (15) ■ Election not yet called (3)



Source: National Journal Research

## NOTABLE DEMOCRATIC WINS

**Connecticut:** In a race between businessmen, Democrat Ned Lamont (D) defeated Bob Stefanowski (R) and will succeed Gov. Dannel Malloy (D). Lamont succeeded in tying Stefanowski to Trump, whose approval ratings sit below 40 percent in this deep blue state.

Growing the Connecticut economy and balancing the budget were the critical campaign issues.

**Illinois:** Businessman J.B. Pritzker (D) defeated Gov. Bruce Rauner (R). Pritzker led the race for most of the way, as he used his vast personal wealth to dominate campaign spending. Pritzker will inherit a state budget in disarray as well as challenges in Chicago, which has been buffeted by crime and social controversies.

**Kansas:** Secretary of State Kris Kobach (R) lost to State Sen. Laura Kelly (D) in one of the more divisive races of the election. Kobach, who gained attention for his tough stand on immigration and voter-fraud, was painted by Kelly as an acolyte of unpopular Gov. Sam Brownback (R). Kelly ran her race from the center, and as a result attracted the endorsement of many key Republican officials. She inherits a difficult budgetary environment.

**Maine:** State Attorney General Janet Mills (D) capitalized on the unpopularity of Gov. Paul LePage to defeat Republican entrepreneur Shawn Moody in a pickup for Democrats. Mills slammed LePage's decision to thwart Medicaid expansion in the state and cast herself as a fresh breeze of change.

**Nevada:** In another pickup for Democrats, Steve Sisolak (D), the Chairman of the Clark County Commission defeated State Attorney General Adam Laxalt (R) to succeed Gov. Brian Sandoval, who was term limited. Sisolak benefited from a moderate voter profile and a fractured Republican base that even split Laxalt's well-known family.

**New Mexico:** Rep. Michelle Lujan Grisham (D) defeated Rep. Steve Pearce (R) in the race to succeed Gov. Susana Martinez, a Republican. Immigration was a critical policy issue for Lujan Grisham, the Chairwoman of the Congressional Hispanic Caucus. Economic issues dominated as well, as one might expect in the state with the nation's second-highest poverty rate.

**Oregon:** Despite declining popular ratings, Gov. Kate Brown (D) defeated State Rep. Knute Buehler (R) in a state that has not elected a Republican as Governor since 1982. Brown overcame concerns about how she has dealt with a homelessness crisis and the state's pension deficit.

**Wisconsin:** Democrat Tony Evers, the state schools superintendent, defeated incumbent Gov. Scott Walker (R) in a state where Trump's approval ratings have dipped to 42 percent. Key issues included work requirements for Medicaid, trade tariffs and controversial economic development incentives for Foxconn, a Taiwanese company.

## NOTABLE REPUBLICAN WINS

**Alaska:** In a race made for a television drama series, former State Sen. Mike Dunleavy (R) defeated former Senator Mark Begich (D) despite Gov. Bill Walker's (I) late decision to abandon the three-way race and endorse Begich.

**Florida:** In a highly emotional loss for Democrats, former Rep. Ron DeSantis edged out Tallahassee Mayor Andrew Gillum (D) in the race to succeed Gov. Rick Scott (R). This was one of the most bitterly fought races in the nation, and presented clear contrasts with Gillum being backed by Sen. Bernie Sanders (D-VT), while DeSantis embraced Trump unapologetically. Gillum could not overcome the swirl of controversy stemming from an FBI investigation of corruption in Tallahassee, boosting DeSantis to victory.

**Georgia:** While both candidates admit there are still votes that need to be counted, Georgia's Secretary of State Brian Kemp (R) appears to be headed to victory over State Rep. Stacey Abrams. This race featured candidates from opposite ends of the political spectrum. The heated and nationally watched campaign was considered a true toss up from start to finish. Kemp's apparent victory puts him in line to succeed Republican Gov. Nathan Deal.

**Iowa:** Governor Kim Reynolds (R) ascended to the executive mansion in 2017 after former Gov. Terry Branstad (R) became the U.S. ambassador to China; and was elected Governor in her own right defeating financial services executive Fred Hubbell (D). Although Hubbell's prospects of winning seemed good, Reynolds momentum late in the campaign made the difference.

**Ohio:** In a major disappointment for Democrats, former U.S. Senator and current State Attorney General Mike DeWine (R) beat Richard Cordray (D) in the race to succeed Gov. John Kasich, who was term limited. Cordray, the former Director of the Consumer Financial Protection Bureau (CFPB) under President Obama, had battled DeWine in 2010 for Attorney General, and lost. While Cordray ran a campaign based on health care and his experience at the CFPB, it was not enough to prevail over DeWine, who appealed to Ohio voters by sticking to the moderate script of economic growth via limited government intervention.

**South Dakota:** At-Large Rep. Kristi Noem (R) defeated State Senate Minority Leader Billie Sutton (D) in the race to succeed Gov. Dennis Daugaard (R). Noem rode her popularity and experience serving South Dakota as their lone U.S. House member in Washington to victory.

# ISSUE AREAS



# AGRICULTURE

Whether Congress can reauthorize the farm bill before the end of the year is one of the most uncertain questions hanging over the lame duck session. The results of the 2018 election make that possibility even more speculative, as Democrats may prefer to delay negotiations until they control the House in the next Congress. However, each of the four principals of the House and Senate Agriculture Committees has expressed a desire to wrap up the bill now to avoid starting all over again in January. To that end, conferees have been working to bridge the significant differences between the House and Senate bills, which include funding for farm programs; changes to the Supplemental Nutrition Assistance Program (SNAP), including work requirements; and revamped conservation programs. Budgetary issues, including spending offsets to fund other programs, are also complicating the negotiations.

## KEY TAKEAWAYS

- It's do or die for the farm bill in the lame duck session – pressure is on to reach a bipartisan agreement
- Agriculture Committee leadership in Senate should remain same; Change in roles in House
- Key issues for 116th Congress include trade, farm bill implementation, oversight

If lawmakers are unable to pass a farm bill before the end of the year, focus will shift to passing an extension. In that scenario, Congress will be forced to begin anew in the 116th Congress. With control of the House, Democrats will likely prioritize SNAP and conservation programs in a new bill.

Among other issues affecting agriculture are consideration of the U.S.-Mexico-Canada Agreement and oversight of the Trump Administration's negotiations of bilateral free trade agreements with Japan, the United Kingdom, and the European Union. As the Trump Administration continues to pressure China to change its trade practices and enforce tariffs on steel and aluminum from all sources, there will be interest in providing additional relief from retaliatory actions that negatively impact agricultural sectors and rural communities dependent on agricultural exports. Additionally, Congress is expected to pass legislation to provide funding for producers affected by the hurricanes and wildfires in 2018 if funding is not provided during the lame duck session.

## SENATE AGRICULTURE COMMITTEE

The 2018 election will result in few changes to the makeup of the Senate Agriculture Committee. As Republicans hold their majority in the Senate, Chairman Pat Roberts (R-KS) and Ranking Member Debbie Stabenow (D-MI) are expected to maintain their leadership positions. Sen. Deb Fischer (R-NE) won reelection and will likely keep her seat on the Committee. Sen. Cindy Hyde-Smith (R-MS) is expected to defeat her opponent in a Nov. 27 runoff election. If so, she is expected to preserve her seat on the Committee as well.

On the Democratic side, Sens. Amy Klobuchar (D-MN), Kirsten Gillibrand (D-NY), Tina Smith (D-MN), Sherrod Brown (D-OH) and Bob Casey (D-PA) prevailed and will likely to keep their seats on the Committee, but Sens. Heidi Heitkamp (D-ND) and Joe Donnelly (D-IN) were defeated.

## HOUSE AGRICULTURE COMMITTEE

On the House side, Agriculture Committee Ranking Member Collin Peterson (D-MN) is expected to take over as Chairman. (In the event that he does not do so, Rep. David Scott (D-GA) ranks number two in seniority.) With the retirement of Rep. Rick Nolan (D-MN), and Reps. Tim Walz (D-MN) and Michelle Lujan Grisham (D-NM) running for governor in their respective states, there will likely be open seats for new members.

With Democratic control of the House, expect increased representation from districts producing specialty crops and others representing urban areas with high participation in nutrition assistance programs. With Peterson as Chairman, the Committee would likely focus on oversight, biofuels and the impact of trade policies on agriculture. If Congress passes a farm bill, the Committee will likely carefully scrutinize the Department of Agriculture's implementation of the new law.

On the Republican side, Chairman Mike Conaway (R-TX) is expected to move over to Ranking Member. Rep. Jeff Denham (R-CA) is leading in his close race for reelection while Rep. John Faso (R-NY) lost his reelection bid.

## SENATE APPROPRIATIONS COMMITTEE

As Republicans maintain the majority in the Senate, the Senate Agriculture Appropriations Subcommittee is likely to face little change. Sens. John Hoeven (R-ND) and Jeff Merkley (D-OR) are expected to maintain their leadership positions. If Sen. Hyde-Smith wins her runoff, Republican membership on the subcommittee would likely remain unchanged.

On the minority side, Sens. Dianne Feinstein (D-CA), Jon Tester (D-MT) and Tammy Baldwin (D-WI) defeated their Republican opponents and will retain their seats on the subcommittee.

## HOUSE APPROPRIATIONS COMMITTEE

As Democrats take control of the House, Rep. Sanford Bishop (D-GA) will likely move from Ranking Member to Chairman of the House Agriculture Appropriations Subcommittee. Bishop is mindful of the agricultural interests of his rural district and has a longstanding relationship with Agriculture Secretary Sonny Perdue, the former Governor of Georgia.

The Republican side of the subcommittee is more complicated, as current Chairman Robert Aderholt (R-AL) is one of several contenders for Ranking Member of the full Appropriations Committee. Additionally, House Republican Conference rules limit members to a combined six-

year term as chair or ranking member. Rep. Aderholt has reached the end of his six-year term as Subcommittee Chairman and would need a waiver to continue to serve as ranking member on the Agriculture Subcommittee. Given the likely shuffling of the Republican cardinals elsewhere, predicting who will serve as the next Ranking Member of the subcommittee is difficult. Several Members will not be returning. Rep. Thomas Rooney (R-FL) has retired from office and Reps. Kevin Yoder (R-KS) and David Young (R-IA) were defeated.

# APPROPRIATIONS

With the election results near complete, the focus now turns to the lame duck session of the 115th Congress. No agenda item will be as difficult to resolve as the final appropriations end-game for FY 2019.

Both the House and Senate Committees have accomplished much this year, having ushered through and finalized five appropriations bills thus far—covering nearly two-thirds of all discretionary activities and programs. All five measures were signed into law by President Trump before the end of the fiscal year—an achievement not seen in over 10 years. The measures contained increased dollar amounts for the top priorities of Democrats and Republicans alike, including funding for the Departments of Defense, Education and Health and Human Services, among others. While the Committees made great strides this year, and offered a rare glimpse of regular order, maintaining that momentum will prove challenging during the lame duck session. With a fast-approaching fiscal deadline of Dec. 7, when the current continuing resolution is set to expire, several landmines await, as some of the more contentious and politically difficult appropriations bills have yet to be finalized. Long-standing policy differences affecting the financial services and banking industries, environmental regulations, foreign aid and immigration policy top the list of unresolved items.

Providing relief to those impacted by and recovering from Hurricanes Florence and Michael will also be a major item of business for the Committees when Congress returns. Though initial down payments toward disaster recovery were enacted in September, final assessments of the damages had not been completed prior to the congressional recess. With a better picture of the long-term recovery needs slowly coming into focus, look for the Committees to provide a second disaster relief package as part of any year-end product.

Though there is much speculation about how the election results will affect the final FY 2019 negotiations, there is a path to closure for the remaining bills. It remains possible that most of them will be enacted before the end of the year, bundled into one catch-all package. While a partial government shutdown is not beyond the realm of possibility, especially if President Trump makes good on a veto threat over funding for a border wall, congressional leaders, particularly in the Senate, will try to avoid that scenario. Look for a bipartisan coalition of appropriators to advocate for completing the remaining bills and wiping the FY 2019 slate clean before the next Congress is sworn in.

Looking ahead to FY 2020 and beyond, several challenging issues confront the leaders of the appropriations panels.

## KEY TAKEAWAYS

- Seven FY 2019 spending bills face uncertain future in lame duck session
- Job number one for FY 2020: agreeing on new budget caps
- Major turnover ahead for House Appropriations Committee
- “Regular order” to remain elusive

Despite their accomplishments, the Committees will continue to face conservative backlash over higher spending levels and a perceived lack of transparency. While these concerns traditionally spawn no shortage of ideas on how to "reform" the appropriations process, the task of coming up with viable solutions this year has been left to a Joint Select Committee, co-chaired by Reps. Steve Womack (R-AR), the Chairman of the House Budget Committee, and Rep. Nita Lowey (D-NY), the Ranking Member of the House Appropriations Committee. Look for this Committee to meet on Nov. 15 to mark up a legislative package of reform proposals, and possibly to move legislation to the House floor during the lame duck session. A range of possibilities have been discussed, including moving from annual to biennial budgeting, changing the fiscal year deadlines, repealing House Budget Committee term limits, requiring increased budget transparency from the Office of Management and Budget and making passage of continuing resolutions and debt ceiling extensions automatic. Many of the more dramatic proposals are not likely to be adopted. The one exception seems to be biennial budgeting, but with one major caveat: Annual consideration of appropriations bills will continue.

Lastly, but certainly looming large over the Committees next year, is the return of sequester spending caps, now that the two-year budget deal covering FY 2018 and 2019 has expired. A remnant of the Budget Control Act of 2011, over \$120 billion in cuts to current year spending levels are due to set in, both on the defense and nondefense side of the ledger. Trump is expected to adhere closely to the sequester levels for nondefense programs in his FY 2020 budget request, while offering only modest cuts to defense. While there is bipartisan agreement that sequester caps are unrealistic for today's budgetary needs, mustering the political will to address the problem quickly has so far been lacking. Partisan rancor and squabbling have been the norm, typically dragging out for months, and hamstringing the Committees from finishing their work in a timely fashion.

***Please refer to Appendix D for the Congressional Budget Office's Baseline Budget Projections.***

As has been the case for the three previous two-year budget deals over the last six years, expect to see the political standoff to revolve around the argument of parity, which the Democrats have traditionally leveraged to their advantage, resulting in substantial gains to the nondefense side of the ledger. With mounting concerns over the growth of the nation's deficits, projected to reach nearly \$1 trillion in 2019, negotiations to address sequestration could linger for several months. As a result, the momentum of the past year will be difficult to replicate and regular order could remain elusive.

## SENATE APPROPRIATIONS COMMITTEE

Look for the Appropriations Committee structure and leadership to remain relatively stable for the 116th Congress. Sen. Richard Shelby (R-AL) will remain Chairman, a position he assumed earlier this year following the retirement of Sen. Thad Cochran (R-MS). Sen. Patrick Leahy (D-VT) will continue to serve as Vice Chairman, the title given in recent years to the Ranking Member

on the Committee in the Senate. A wave of midsession shifts in the subcommittee chairmanships in 2018 due to Cochran's early retirement has placed several Senators in relatively new positions already. Six of the subcommittees, including the influential Defense, Commerce-Justice-Science, and Homeland Security panels, all have new chairmen at the helm, with less than a year of training under their belts. In addition, only one Committee Republican had a contested election—Sen. Cindy Hyde-Smith (R-MS)—and she is widely expected to retain her seat in a Nov. 27 runoff. These facts make major shifts on the Republican side of the Committee unlikely.

This overall stability will be key to the Committee's agenda moving forward. The close working relationship between Shelby and Leahy is expected to continue, with each side likely foregoing traditional partisan fights in the short term to reach long-term bipartisan consensus. This collegial way of doing business united the Committee and set the tone for its FY 2019 conference negotiations with the House—an approach that should continue in the 116th Congress.

## HOUSE APPROPRIATIONS COMMITTEE

Unlike in the Senate, expect major changes on the House Appropriations Committee. Rep. Nita Lowey (D-NY), the current Ranking Member, is in line to take the gavel and would be the first woman to hold that position. Her cardinals likewise are seasoned veterans, and will be aggressive in countering the President's agenda from day one—ready to do battle in what they anticipate will be his last two years in office. Most, if not all, of the current subcommittee ranking members will assume chairmanships in the majority.

The Republican side of the aisle, meanwhile, is decimated. The retirements of Appropriations Committee Chairman Rodney Frelinghuysen (R-NJ) and Committee member Rep. Tom Rooney (R-FL), the early departures of Reps. Charlie Dent (R-PA) and Evan Jenkins (R-WV), and the reelection losses of Reps. Kevin Yoder (R-KS), David Young (R-IA), John Culberson (R-TX) and Scott Taylor (R-VA) will have a major impact not only on the subcommittee rosters, but on the agenda, tone and seniority of the Committee itself. By the start of the 116th Congress, about 70 percent of the Republican members of the Committee will have turned over since 2010.

The full Committee Ranking Member slot is a wide-open race and rests in the hands of the Republican Steering Committee. The current Defense Subcommittee Chairwoman, Kay Granger (R-TX), is viewed as the frontrunner. The other two top contenders for the job are Reps. Tom Cole (R-OK) and Tom Graves (R-GA), in that order.

Expect to see a game of musical chairs among the Republican ranks on the subcommittees as well. In addition to the reelection losses and retirements mentioned above, there are two other wildcards to watch in the shuffle. Rep. Robert Aderholt (R-AL) has reached the end of his six-year term as Chairman of the Agriculture Subcommittee, and some speculate that he will opt not to seek a waiver but pursue a more high-profile subcommittee slot. In addition, Rep. Steve Womack (R-AR) has mused openly about leaving his Budget Committee post to assume a Ranking Member

position on an Appropriations subcommittee. Regardless, expect to see a sizeable number of fresh faces on the dais, with as many as six or seven subcommittees with new GOP leadership.

As for carrying out the Committee's business, look for Democrats to act aggressively to use the power of the purse to try to extract concessions from President Trump and attach policy riders to appropriations bills. They will also use budget hearings to conduct vigorous, and sometimes confrontational, oversight of the Federal agencies. The heightened political environment overall in the House, with a slew of investigations into the President and his Cabinet, will keep the Committee busy as well.

Democrats will prioritize spending for multiple programs that appeal to their base, particularly in the Labor, Health and Human Services, and Education Appropriations bill. Medical research, maternity care, nutrition, workforce development and education will remain areas of focus, as well as renewable fuel development, environmental protections and investments in infrastructure.

# CYBERSECURITY

All eyes were on the cybersecurity of election systems across the country yesterday. With no known cases of vote tampering, attention today turns to cybersecurity policy and funding in the 116th Congress. Cybersecurity crosses the jurisdiction of several committees. In the civilian arena, the Homeland Security, Judiciary, Commerce, and Oversight and Government Reform committees will all see big changes in their membership this year, especially at the top. The same is true for the national security committees that oversee military cybersecurity policy and funding, mainly the Appropriations and Armed Services committees.

For the first time in a decade, the defense authorizations and appropriations acts for FY 2019, chock full of cybersecurity priorities for the military, were signed into law before the start of the fiscal year on Oct. 1, 2018. Leaders of the national security committees are looking toward the FY 2020 budget cycle to make their next mark on cybersecurity, in a military sense. At the same time, the Department of Homeland Security (DHS), the government's civilian lead for cybersecurity, is currently operating under a continuing resolution until Dec. 7, 2018. One of the first priorities during the lame duck session of Congress will be to try to pass a DHS budget for the remainder of the fiscal year. The battle over border wall funding could have a significant impact on the other parts of the DHS budget including cybersecurity, for everything from critical infrastructure protection to training to cyber threat detection and mitigation.

## KEY TAKEAWAYS

- Big changes in cybersecurity leadership in Congress
- Key issues to include cyber supply chain threats, foreign influence, critical infrastructure
- FY 2019 Homeland Security appropriations bill, with a direct impact on civilian cyber, still needs to be finalized

## SENATE AUTHORIZATION COMMITTEES

Sen. Jim Inhofe (R-OK), who became chairman of the Senate Armed Services Committee (SASC) in September, will keep the gavel in the 116th Congress. A focus on military cybersecurity, including combatting the threats posed by Russia, China and Iran and the risks these countries and others pose to the military supply chain, will continue to dominate the National Defense Authorization Act for FY 2020. The election resulted in at least one and possibly two major losses at the top for Senate Democrats with longstanding knowledge of cybersecurity and positioned on critical authorizing committees, both military and civilian. The defeat of Sen. Claire McCaskill (D-MO) knocked out the second-most senior Member on the Cybersecurity Subcommittee on SASC. Her loss will also open up the Ranking Member slot on the Homeland Security and Governmental Affairs Committee. Sen. Bill Nelson (D-FL), meanwhile, was trailing at time of publication in his bid for reelection. Nelson's absence would be significant, since he is the current Ranking Member on the Cybersecurity Subcommittee on SASC and also the Ranking Member of

the Commerce, Science and Transportation Committee; both committees include cybersecurity in their portfolios.

## HOUSE AUTHORIZATION COMMITTEES

As Rep. Adam Smith (D-WA) takes over as Chairman, expect the House Armed Services Committee to maintain a bipartisan focus on pushing the military and other administration leaders to offer a comprehensive military cybersecurity strategy. Top issues will include supply chain threats from U.S. adversaries, rules and oversight of sensitive cybersecurity military operations, and implementation of strong cyber protections for vulnerable military weapons and corresponding systems. In the civilian world of cybersecurity on Capitol Hill, there will be many changes in the committees of jurisdiction in the new Congress. Most current Chairmen are retiring, leaving many Ranking Member positions in the new Congress unclear. Rep. Bennie Thompson (D-MS) is expected to take over as Chairman of the Homeland Security Committee. Current Chairman Michael McCaul (R-TX) is term-limited from his Committee post and will step down at the end of the current Congress, leaving an open Ranking Member spot.

On the Judiciary Committee, Rep. Jerry Nadler (D-NY) is expected to take over as Chairman, succeeding Rep. Bob Goodlatte (R-VA), who is retiring at the end of this Congress. Goodlatte's departure will open up another Ranking Member slot. Rep. Elijah Cummings (D-MD) is expected to take over as Chairman of the Oversight and Government Reform Committee. Similarly, current Chairman Trey Gowdy (R-SC) is retiring, leaving another Ranking Member slot up for grabs. Rep. Frank Pallone (D-NJ) is expected to take over as Chairman of the Energy and Commerce Committee, while Rep. Greg Walden (R-OR) is expected to move over to Ranking Member. Rep. Marsha Blackburn (R-TN), Chairwoman of the Communications and Technology Subcommittee on the Energy and Commerce Committee, will vacate her post, after winning her bid for Senate. Races will be held in the coming days to fill these critical open positions for civilian cyber in Congress.

## SENATE APPROPRIATIONS COMMITTEE

The Senate Appropriations Committee is a different story, where stability will reign when it comes to leadership in charge of cybersecurity funding, both military and civilian. Sen. Richard Shelby (R-AL) will continue to serve as Chairman of both the full Committee and the Defense Subcommittee, and Sen. Shelley Moore Capito (R-WV) will retain the top spot on the Homeland Security Subcommittee. On the Democratic side, Sen. Dick Durbin (D-IL) will continue as Ranking Member on Defense and Sen. Jon Tester (D-MT) will should remain the Ranking Member on Homeland Security. Robust, bipartisan support is expected to continue for cybersecurity funding for military programs. The outlook for cybersecurity in the Homeland bill is murkier, as it must compete for funding with border protection initiatives.

## HOUSE APPROPRIATIONS COMMITTEE

With Democrats taking back the House, there will be new leadership atop the Defense and Homeland Security Appropriations subcommittees, the two spending panels that deal most directly with cybersecurity. Rep. Pete Visclosky (D-IN) will switch from Ranking Member to Chairman of the Defense Subcommittee, which allocates funding for military cybersecurity needs. He will have a tough job of prioritizing what should be done first, given a recent government report that says the Department of Defense is just “beginning to grapple with the scale of vulnerabilities” to military systems. Rep. Lucille Roybal-Allard (D-CA) will likely move from Ranking Member to Chairwoman of the Homeland Security Subcommittee. This panel allocates funding for DHS, which is charged with coordinating cybersecurity within civilian government agencies and the private sector. The Homeland Security appropriations bill also provides funding for more controversial endeavors, like border security. Roybal-Allard will have to balance both needs for the safety of the nation.

Leadership on the Republican side is harder to predict. Current House Appropriations Committee Defense (HAC-D) Subcommittee Chairwoman Kay Granger (R-TX) is one of several Members vying for Ranking Member of the full Appropriations Committee. If successful, she will vacate the top slot on HAC-D. Several current Members of HAC-D, including Reps. Hal Rogers (R-KY), Robert Aderholt (R-AL), Ken Calvert (R-CA) and Tom Cole (R-OK), could compete to replace her. On the Homeland Security Subcommittee, the election loss of Chairman Kevin Yoder (R-KS) means the Ranking Member slot is up for grabs. Rep. John Culberson (R-TX) also lost his reelection bid, so next in line on the subcommittee are Reps. Chuck Fleischmann (R-TN), Andy Harris (R-MD) and Steven Palazzo (R-MS).

# DEFENSE

Fiscal uncertainty looms on the horizon for national security and defense. Debate over the defense and nondefense spending caps, along with the threat of sequester imposed by the Budget Control Act (BCA) of 2011, is scheduled to reappear in FY 2020. The President's defense budget request for FY 2020 will support the new National Defense Strategy. Although the request will likely be less than the FY 2019 appropriated level, it will likely ignore the much lower FY 2020 defense-spending cap prescribed in the BCA.

The newly minted National Defense Strategy prioritizes increased investment to counter near-peer competitors, as well as continue to deter and counter rogue regimes and defeat terrorist threats. Over the next two years, expect the Department of Defense (DoD) to focus efforts on building a more lethal force, strengthening alliances, attracting new partners and reforming the Department for greater performance and affordability.

National security and defense policy issues will remain a priority in the 116th Congress. For the first time in 10 years, Congress enacted both the defense authorization and defense appropriations acts ahead of the new fiscal year. The Department of Defense has consistently complained about the negative impacts of receiving its appropriations halfway through the fiscal year, which caused uncertainty in programs and led to an increase in reprogramming actions. Congress will no doubt pay closer attention to budget execution data, as well as scrutinize requests to reprogram funds, in this "normal" budget execution year.

The President remains outspoken on the need to prioritize defense spending. In order to do so, Congress and the Administration must figure out a way to increase the FY 2020 defense-spending cap. This will not be easy, as Democrats will prioritize domestic spending and insist on parity between defense and nondefense accounts. Look for a potentially drawn-out budget resolution process, which could set back the defense authorization and appropriations processes and timelines. (See Appropriations section for more information.)

In addition to regularly scheduled hearings on the DoD budget, its services and the Combatant Commands, expect additional hearings on acquisition reform, Authorization for Use of Military Force, DoD Audit, national security strategy, cyber threats, space force, investment in future technologies, readiness and personnel/force structure. There will also be increased debate on the size of the military to include personnel and equipment, need for another Base Realignment and Closure round, authorization for commitment of U.S. forces overseas and increased

## KEY TAKEAWAYS

- FY 2020 DoD budget request to support new National Defense Strategy
- Spending cap for FY 2020 is the big question mark
- Adam Smith takes helm as HASC Chairman
- Peter Visclosky takes helm as HAC-D Chairman
- Multi-Member GOP race for HAC-D Ranking Member

oversight on military budget and operations. Look for the House defense oversight committees to significantly ramp-up scrutiny of the Pentagon.

Finally, there continues to be conjecture over the potential departure of Defense Secretary James Mattis. While both the President and Secretary Mattis maintain that he is staying, some continue to speculate he may depart sometime soon. Names of potential replacements currently being circulated include Senators Tom Cotton from Arkansas and Lindsey Graham from South Carolina, retired four-star Army General Jack Keane, former Treasury Department official David McCormick and former Senator Jim Talent of Missouri.

## SENATE ARMED SERVICES COMMITTEE

Under the chairmanship of Sen. Jim Inhofe (R-OK), who took the gavel of the Senate Armed Services Committee in September, expect a continued focus on rebuilding the military's capacity, capability and readiness. Chairman Inhofe will work closely with Ranking Member Jack Reed (D-RI) and all Members of the committee to push for on-time passage of the National Defense Authorization Act (NDAA). Look for continued investment into the training, maintenance and modernization accounts and a continued focus on acquisition reform as well as investment in research and development, depots, cyber and missile defense. The focus overseas will be on Russia and China and building strong partnerships through programs like Train & Equip with allies across the globe, including Africa. Budget restrictions will likely limit the Chairman's ability to simultaneously increase end strength, modernize the force and adequately fund readiness. Overall committee focus remains stable but the loss of Sens. Joe Donnelly (D-IN) and Claire McCaskill (D-MO) will result in the addition of new Democratic Members to the committee and the appointment of a new Ranking Member of the Strategic Forces Subcommittee. Sen. Bill Nelson (D-FL) is currently trailing in his race by less than 0.5 percent, requiring a recount by Florida law. His loss would result in a new Ranking Member of the Cyber Subcommittee.

## HOUSE ARMED SERVICES COMMITTEE

As Rep. Adam Smith (D-WA) takes over as Chairman of the House Armed Services Committee, expect additional DoD oversight and a more critical look at defense spending levels. He will push for cuts based on a threat-and-budget-based assessment to U.S. national security. Chairman Smith will also seek to reduce expenditures on nuclear weapons, ensure a full and accountable DoD audit, increase oversight of military operations overseas, support alternative energy and climate change, increase emphasis on personnel issues and support another BRAC round. The focus overseas will be on Russia and China, a new war powers resolution, treaty obligations and a more limited U.S. role overseas. The change in control of the House and the retirement/loss of roughly a dozen Members on the HASC will result in the addition of up to a dozen Democratic Members and little to no change in Republican Members. This will also result in shuffling of some subcommittee leadership to include the Personnel, Readiness, and Tactical Air and Land Forces Subcommittees.

## SENATE APPROPRIATIONS COMMITTEE

With the Senate remaining in GOP control for the next two years, look for stability in the Senate Defense Appropriations Subcommittee with Chairman Richard Shelby (R-AL) and Ranking Member Dick Durbin (D-IL) staying in place. As Chairman of the full Senate Appropriations Committee, Shelby orchestrated a plan to pass the FY 2019 Defense Appropriations Act “on time,” completing it ahead of the start of the new fiscal year for the first time in 10 years. Look for him to take a similar lead role in the 116th Congress, where he is likely to advocate for moving the defense appropriations bill through the committee and onto the Senate floor for a vote. Pairing it with the Labor, Health and Human Services Appropriations bill worked successfully in FY 2019, and may offer a path to enactment again in FY 2020. Committee membership will likely remain relatively stable.

## HOUSE APPROPRIATIONS COMMITTEE

As Democrats assume leadership of the House, they gain seats on and control of the House Defense Appropriations Subcommittee (HAC-D). Rep. Peter Visclosky (D-IN), after serving as Ranking Member for the past six years, takes over as Chairman. He is likely to intensify scrutiny of the Department of Defense. Look for the HAC-D to increase the number of oversight hearings, closely examine the Department’s reprogramming requests, prioritize the U.S. industrial base and ask more questions about the Administration’s annual budget requests.

For the GOP, soon to be the minority party, the retirement of full Appropriations Chairman Rodney Frelinghuysen (R-NJ) will affect who becomes the Ranking Member of HAC-D in the 116th Congress. Current HAC-D Chairwoman Kay Granger (R-TX) is viewed as the potential front-runner in the race to become Ranking Member of the full committee. Should Granger move up, several current Members of the HAC-D will compete to be the Ranking Member of that subcommittee. These could include Reps. Hal Rogers (R-KY), Robert Aderholt (R-AL), Ken Calvert (R-CA) and Tom Cole (R-OK).

# EDUCATION

Democratic control of the House of Representatives may not lead to breakthroughs on big-ticket policy items, but a renewed focus on oversight of the Department of Education and Secretary Betsy DeVos should keep K-12 and higher education front and center in the new Congress.

In addition to oversight, House Democrats will prioritize school construction within the context of a larger infrastructure bill. Rep. Bobby Scott (D-VA), who will take over as Chairman of what will likely be renamed the House Education and Labor Committee (currently the House Committee on Education and the Workforce), introduced the Rebuild America's Schools Act last May, and party leadership recently directed Committee Democrats to ready a school construction plan in advance of next year. This effort will be early on the Committee's legislative agenda. Chairman Scott may also look to prioritize legislation that seeks to identify and close gaps in educational equity and should give far more attention to early childhood education than did his predecessor, Rep. Virginia Foxx (R-NC).

Over the last few years, the Senate and House education committees have reauthorized many of the major K-12 and higher education bills—including the Every Student Succeeds Act (ESSA), Workforce Investment Act, Perkins Career and Technical Act—and have begun discussions on a number of the outstanding items, most notably the Higher Education Act (HEA), Education Sciences Reform Act and Individuals with Disabilities Education Act. It is unlikely that the committees will get the "leftovers" across the finish line in the 116th Congress, but there will be a legitimate effort to reauthorize the HEA. With at least two Members of the Senate Health, Education, Labor and Pensions (HELP) Committee expected to run for President, however, and with higher education being a major part of any Democratic platform, it remains difficult to see how the parties will put their differences aside on such a major issue—especially in a presidential election cycle.

## HOUSE EDUCATION AND LABOR COMMITTEE

Scott and Foxx will swap the Chair and Ranking Member roles atop the House Education and Labor Committee, with Scott, a former civil rights lawyer, taking the gavel for the first time. Under his leadership, the Committee will prioritize oversight of the Education Department, particularly around civil rights, school climate, school safety, Title IX, for-profit education, and implementation of ESSA. Frequent oversight hearings and the potential for subpoenas should help shed light on the rationales behind some of the Department's recent administrative and

### KEY TAKEAWAYS

- Oversight will be the name of the game for the House Education and Labor Committee under incoming Chairman Scott
- Higher education will be top policy focus of the authorizing committees
- Education funding to get a boost under incoming House Labor-HHS Chairwoman DeLauro

regulatory actions in the K-12 and higher education sectors, but it is unlikely that such scrutiny would push the Department to back off from its preferred policies.

The Education and Labor Committee has generally been one of the more transient House committees, and with at least eight members retiring or losing reelection, there should be plenty of new faces when the 116th Congress is seated in January. Notable departures from the Committee include Rep. Jared Polis (D-CO), a champion of charter schools who often crossed his party on issues related to K-12 education reform and won his bid for Colorado Governor this election cycle; Rep. Todd Rokita (R-IN), who chaired the subcommittee on Early Childhood, Elementary and Secondary Education; and Rep. Luke Messer (R-IN), a founder of the Congressional School Choice Caucus. Reps. Marcia Fudge (D-OH) and Mark Takano (D-CA) should continue to gain stature on the Democratic side of the dais, and one would expect Rep.-elect Jahana Hayes (D-CT), the 2016 National Teacher of the Year, to join the Committee following her election to Congress. Rep.-elect Donna Shalala (D-FL), a three-time college president, is another logical choice for Committee membership.

## SENATE HELP COMMITTEE

Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA) will remain in their current roles atop the Senate HELP Committee, which, outside of the retirement of Sen. Orrin Hatch (R-UT), is expected to look as it did in the 115th Congress. The Committee's primary legislative priority continues to be a comprehensive rewrite of the HEA, but finding bipartisan consensus—let alone bicameral consensus—on such a topic will be difficult. Expect private talks and negotiations on HEA and a public focus on oversight of ESSA implementation.

## APPROPRIATIONS COMMITTEES

Outside of a swap in roles for Reps. Rosa DeLauro (D-CT) and Tom Cole (R-OK), there are no expected changes atop the House and Senate Labor, Health and Human Services, Education, and Related Agencies (Labor-HHS) Appropriations subcommittees. The four subcommittee leaders—DeLauro, Cole and Sen. Roy Blunt (R-MO) and Murray—are pragmatic members who prioritize results and during their time working together have proven to be more than able to reach bipartisan deals that they can sell to their respective caucuses.

Education funding may fair better under Chairwoman DeLauro than it did under Cole, who tended to prioritize the National Institutes of Health (NIH) over all other programs in the bill. DeLauro is more likely to balance any increases for NIH with education and child care priorities such as Title I Grants to Local Education Agencies, special education, Head Start and the Child Care and Development Block Grant. DeLauro may also attempt to use the Labor-HHS bill to push back on the Administration's decision to allow states and districts to use the Title IV block grant to arm teachers.

# ENERGY & ENVIRONMENT

The Trump Administration's approach on energy and environmental policy so far has been one of deregulation and downsizing. That should continue over the next two years, with the President touting how the Administration's policies have fostered job creation and benefited consumers while placing the United States in strong standing as a global energy leader. As Democrats prepare to take the reins in the House, they are likely to challenge the Administration at every turn. The new House majority's agenda will include expanding renewable energy and investing in policy and technology to lessen the United States' carbon footprint while combating climate change. However, with divided control of Congress, there will be limited opportunity for them to alter the Administration's current course. Instead, expect much of their attention to focus on oversight of the Administration's regulations and industry practices that are intended to protect human health, clean air, water and wildlife.

## KEY TAKEAWAYS

- House Democrats to renew focus on climate change while scrutinizing Administration's regulatory policies
- Leadership on Capitol Hill to remain fairly stable
- Protecting and modernizing the nation's electricity grid will continue as key issue

## SENATE AUTHORIZATION COMMITTEES

Sen. John Barrasso (R-WY) will move into his second term as Chairman of the Environment and Public Works Committee next Congress, with Sen. Tom Carper (D-DE) remaining as Ranking Member. Expect the Committee to continue to explore what the appropriate role should be for states when it comes to environmental regulations and clean-up. The microscope will also remain on the Environmental Protection Agency (EPA) as both parties present differing views on the agency's proper responsibilities and whether EPA is right-sized to fulfill its mission. Barrasso's priorities also include modernizing the Endangered Species Act (ESA).

The Senate Energy and Natural Resources Committee will continue under the leadership of Sen. Lisa Murkowski (R-AK) as Chairwoman while the Ranking Member position remains somewhat unclear. If Sen. Bill Nelson (D-FL) loses his reelection bid-his race was yet to be called-Sen. Maria Cantwell (D-WA), the current Ranking Member, could seek the top Democratic spot on the Senate Commerce, Science, and Transportation Committee. Should that switch occur, Sen. Joe Manchin (D-WV) will likely take her spot on the Committee. Expect the Committee to continue to consider the vulnerability of the electricity grid to cyber attacks as well as the overall complex and evolving web of how energy is generated, distributed and ultimately consumed. Sens. Murkowski and Cantwell also have much of their collaborative legislation, the Energy and Natural Resources Act, left unsettled. While several hydropower provisions of their bill were included in the Water Resources Development Act reauthorization, they have thus far been unable to reconcile much of the package with their House counterparts. Watch for some of the

remaining provisions to make their way into an end-of-the-year package during the lame duck session. Otherwise, with Democrats now in control of the House, they may find a more receptive audience to moving forward on unfinished business next Congress.

At the Commerce, Science, and Transportation Committee, there could be a shuffling of the deck. Sen. John Thune (R-SD), the current Chairman, is expected to pursue a Senate leadership slot in the next Congress. If his bid is successful, Sen. Roger Wicker (R-MS) could emerge as his successor on the Committee. As discussed above, Cantwell could take over as Ranking Member.

## HOUSE ENERGY AND COMMERCE COMMITTEE AND HOUSE NATURAL RESOURCES COMMITTEE

Rep. Frank Pallone (D-NJ) is expected to remain the top Democrat on the Energy and Commerce Committee and assume leadership as the Chairman, exchanging roles with Rep. Greg Walden (R-OR), who will now serve as Ranking Member. This Committee will be the primary venue in the House for the new majority to resurface the debate on climate change. Don't expect to see anything resembling the comprehensive cap-and-trade legislation that Democrats advanced last time they held control of the House, only to watch that effort stall in the Senate. Instead, look for them to promote the importance of concepts like the Clean Power Plan and the Paris Agreement, both policies the Trump Administration has abandoned without alternative solutions.

The Democratic agenda will also likely include attention to a variety of areas that Committee Democrats feel have gone largely ignored under Republican control. The EPA will have to prepare for a great deal of scrutiny about the management of the agency and the use of the agency's regulatory authority. This will include elevating issues raised last year with respect to the law passed in 2016 to amend the Toxic Substance Control Act (TSCA). Democrats who helped shepherd the new law into place have expressed concerns over the manner in which the agency is implementing certain reforms while at the same time ignoring some statutory obligations. Other priorities may include addressing safe drinking water funding and infrastructure, pesticide risk assessment policies and Corporate Average Fuel Economy (CAFE) standards—all areas where Democrats believe the Republican-controlled Congress fell short.

With Rep. Raúl Grijalva (D-AZ) set to take the helm as Chairman of the Natural Resources Committee, there will be additional attention from the House on climate change and the importance to participate as a global partner. Expect this to come with a spotlight on the current process and timing for oil and gas leasing. This will put Rep. Rob Bishop (R-UT), the new Ranking Member, in the position of defending recent policies that have streamlined permitting and leasing for exploration on federal lands. Grijalva's priorities will include the Hardrock Leasing and Reclamation Act, which he introduced this session. Among other things, this legislation creates new royalties on mining operations while directing revenues toward the clean-up of abandoned mines.

## SENATE APPROPRIATIONS COMMITTEES

Leadership of the Interior, Environment, and Related Agencies subcommittee in the Senate is expected to remain stable under Chairwoman Lisa Murkowski (R-AK) and Ranking Member Tom Udall (D-NM). The same is expected at the Energy and Water Development subcommittee with Sen. Lamar Alexander (R-TN) staying on as Chairman and Sen. Dianne Feinstein (D-CA) as Ranking Member. Anticipate both subcommittees to reflect the dynamics of the Senate with a more balanced approach to funding and policy riders than their House counterparts. Look for the Interior and Environment subcommittee to recommend maintaining funding for EPA and the Department of Interior, with some increases beyond the President's budget request. The glaring difference between the House and Senate Energy and Water appropriations bills will likely be the continued standoff on providing funds for a nuclear waste storage repository at Yucca Mountain in Nevada.

## HOUSE APPROPRIATIONS COMMITTEES

Under Democratic control of the House, Rep. Marcy Kaptur (D-OH) and Rep. Mike Simpson (R-ID) will switch roles as Chairman and Ranking Member, respectively, of the Energy and Water Development and Related Agencies subcommittee. For the Interior and Environment subcommittee, current Ranking Member Betty McCollum (D-MN) is expected to take the gavel while the Ranking Member role remains less certain, pending the outcome of the race for Ranking Member of the full Committee. Should Rep. Ken Calvert (R-CA), who currently serves as the top Republican on the subcommittee, seek a different post, there could be interest from several Republicans for the top spot on Interior and Environment. Look for that list to possibly include Rep. Tom Cole (R-OK), given his interest in and connection to Indian tribes and public land issues. Expect funding priorities to reflect a shift toward more renewable energy technologies and away from fossil fuel research while strong levels should remain for water infrastructure and environmental clean-up initiatives. The new Democratic majority may also use appropriations bills to try to restrict the Trump Administration from using funds for certain activities.

# HEALTH

With Democrats taking control of the House, many of the hotly debated health issues in the 115th Congress should fall to the wayside. The threats to reform Medicaid into a block grant program or per capita reimbursement model will no longer be viable. And demands for increased oversight and reform of the 340B drug pricing should also diminish. However, these issues will not disappear from the radar, as the Department of Health and Human Services (HHS) could continue to exercise its authority in making programmatic changes that do not require approval from Congress.

Through rulemaking, HHS will continue to address rising drug prices. Earlier this month, the agency proposed to pay for select Part B drugs based on the International Price Index. Additionally, Congress recently wrote to the Health Resources and Services Administration (HRSA) reminding the agency of existing authorities to make changes to the 340B drug pricing program. As such, it is expected that future changes to 340B are likely to come from HRSA rather than Congress. Given the increased activity by the Administration, a Democratic-controlled House will pursue an aggressive oversight agenda. Drug pricing, new Medicaid requirements and changes to the Affordable Care Act (ACA) could all be topics of intense oversight investigations and hearings.

## SENATE FINANCE COMMITTEE AND SENATE HEALTH, EDUCATION, LABOR AND PENSIONS COMMITTEE

In the Senate, work on federal health programs is split between the Finance Committee and the Health, Education, Labor and Pensions (HELP) Committee. With the retirement of Sen. Orrin Hatch (R-UT), it is believed that Sen. Chuck Grassley (R-IA) will leave the chairmanship of the Senate Judiciary Committee and reclaim the gavel on the Finance Committee. Grassley last chaired the Committee in 2006 and is eligible to serve as Chairman for two more years. Sen. Ron Wyden (D-OR) will remain as the Committee's Ranking Member. Grassley has long been a champion of rural health care providers and ensuring access to quality rural health care services. He is also an advocate of increased transparency in the health care sector and has led legislative efforts to shed light on waste, fraud and abuse in federal health care programs. As the author of bipartisan legislation to address the high cost of prescription drugs, Grassley could be an ally to the Administration's efforts to reduce patients' out-of-pocket spending on pharmaceuticals.

Sen. Lamar Alexander (R-TN) will continue to serve as Chairman of the Senate HELP Committee, while Sen. Patty Murray (D-WA) will remain as Ranking Member. Having played a significant role

### KEY TAKEAWAYS

- Democratic House means no more attempts to repeal ACA
- Power shifts to the Administration as agencies take the lead on new regulations
- NIH will remain a top spending priority
- House Democrats to lay the groundwork for "Medicare for All"

in the passage of the recent opioids bill, the SUPPORT for Patients and Communities Act, the Committee is expected to continue its focus on health care in rural America. As part of that conversation, it is widely expected that the Committee will study the use of telehealth and explore potential legislative changes to make broader implementation of telehealth a reality. Additionally, Chairman Alexander has been a leading Republican voice for amending the ACA to make health insurance premiums more affordable for those Americans purchasing coverage in the public exchanges.

## HOUSE ENERGY AND COMMERCE COMMITTEE AND HOUSE WAYS AND MEANS COMMITTEE

In the House, the health care portfolio is divided between the Energy and Commerce Committee and the Ways and Means Committee. Change in party control means the committees will have new chairmen in the 116th Congress. However, familiar faces are expected to lead both panels. At the Energy and Commerce Committee, current Chairman Greg Walden (R-OR) should slide into the Ranking Member's slot, while current Ranking Member Frank Pallone (D-NJ) will wield the gavel. Pallone is a long-serving member on the Committee's Health Subcommittee, having served as Chairman during the passage of the ACA. As such, health issues will be a priority for the new Chairman. Democrats have already expressed a desire to address rising drug costs, although how the Committee drug pricing agenda matches up with the Administration's work remains to be seen. It is anticipated the Committee will pursue an aggressive oversight agenda. Medicaid work requirements and Medicaid waivers, in general, and the Administration's enforcement of the ACA will likely be on the docket in the near future.

Over the past year, the Energy and Commerce Committee has hosted numerous hearings to study the 340B drug pricing program. During these hearings, Democrats on the panel have offered more reserved changes to the program, including increased transparency from all stakeholders. With the change in panel leadership, the 340B program should recede into the background for the time being. However, any proposed changes to the program by HRSA would likely be thoroughly vetted by the Committee.

Finally, the Energy and Commerce Committee has jurisdiction over activities of the Food and Drug Administration. Chairman Pallone could lead efforts to closely examine the regulation of electronic cigarettes and vaping.

At the Ways and Means Committee, current Ranking Member Richard Neal (D-MA) will take the gavel from Chairman Kevin Brady (R-TX), who, with two years of eligibility remaining, will shift to the Ranking Member position. Similar to the Energy and Commerce Committee, the Ways and Means Committee is expected to examine the drivers behind rising drug costs. An aggressive oversight agenda with a particular focus on Administration proposals affecting the ACA will be a Committee focus. The Committee may also consider legislative solutions to improve care coordination and chronic care management, especially among the dual eligible population.

Both the Ways and Means Committee and the Energy and Commerce Committee have begun studying the rising maternal mortality rate. This issue has gained significant bipartisan interest and support. Pending legislation has already been considered at the Energy and Commerce Committee, and the issue will remain a priority for both committees into the 116th Congress.

Both committees could spend time exploring and/or laying the groundwork for a “Medicare for All” legislative proposal. A number of newly elected Democrats made “Medicare for All” a feature of their campaign platform, and several Democratic candidates for President in 2020 are expected to support it as well—even though, at the moment, there is no clear consensus about what this goal would actually entail. Look for Democrats in the House to begin exploring various forms of this proposal.

### SENATE APPROPRIATIONS COMMITTEE

In the Senate, there are no expected changes in leadership of the Labor, Health and Human Services, Education, and Related Agencies (Labor-HHS) Subcommittee. Sen. Roy Blunt (R-MO) will remain Chairman, while Sen. Patty Murray (D-WA) will remain the Ranking Member. Funding for the National Institutes of Health (NIH) has been Blunt’s top spending priority. Continuing to provide multibillion-dollar increases for this agency in an uncertain fiscal environment will be his most difficult challenge in the 116th Congress. Blunt and Murray have enjoyed a strong, bipartisan working relationship, and their collegiality is expected to continue.

### HOUSE APPROPRIATIONS COMMITTEE

On the House Appropriations Committee, Rep. Rosa DeLauro (D-CT) will move from Ranking Member to Chairwoman of the Labor-HHS Subcommittee. Current Chairman Tom Cole (R-OK) is expected to become the Ranking Member of Labor-HHS unless he succeeds in his bid for Ranking Member of the full Committee. DeLauro will advocate vigorously for the highest possible allocation for her subcommittee, whose portfolio includes many top Democratic funding priorities. Although she will likely continue the subcommittee’s strong support for NIH, she will seek to spread spending increases across a wide range of programs in the bill, including early childhood education, child care, social services, public health, labor programs and many others.

# HOMELAND SECURITY

Funding for the border wall in the FY 2019 Homeland Security appropriations bill remains perhaps the most challenging issue hanging over the lame duck session. The House version of the bill includes \$5 billion for this purpose, compared with \$1.6 billion in the Senate version, and President Trump is threatening a veto if Congress doesn't appropriate the higher level. If the Federal government partially shuts down when the continuing resolution expires on Dec. 7, failure to reach an agreement on this issue will likely be a major reason why.

Debate over the border wall will only intensify during the 116th Congress, as the new, Democratic-controlled House will push back vigorously against Administration plans to dramatically increase funding. One of the most contentious issues of the midterm elections, border security will take center stage during the 2020 presidential campaign as well.

Funding for the wall aside, the next Congress will have to grapple with a record number of immigrants who are seeking asylum. U.S. officials apprehended 396,579 people between ports of entry on the southwest border in fiscal year 2018, up from 303,916 the year before.

Transportation security will also remain a top priority. Although Congress reauthorized the Transportation Security Administration (TSA) in October, expect a continued focus on issues such as biometric entry and exit and identity verification. Other key issues will include cybersecurity, malicious use of unmanned aerial vehicles (UAVs), chemical and biological weapons and the use of artificial intelligence across the homeland security enterprise.

## SENATE AUTHORIZATION COMMITTEES

Sen. Ron Johnson (R-WI) is expected to continue as Chairman of the Senate Homeland Security and Governmental Affairs Committee (HSGAC). Sen. Tom Carper (D-DE) will likely replace Sen. Claire McCaskill (D-MO) as Ranking Member following her election loss to Republican Josh Hawley. HSGAC shares jurisdiction over homeland security with the Commerce, Science and Transportation Committee and the Judiciary Committee. While there was significant momentum in the 115th Congress to pass a comprehensive reauthorization for the Department of Homeland Security (DHS), that goal proved elusive. It remains to be seen if the 116th Congress will attempt to consider a broader reauthorization or if stakeholders will be content with piecemeal legislation, as has been the norm since 2002.

## KEY TAKEAWAYS

- Border wall funding is major sticking point for FY 2019 Homeland Security spending bill during the lame duck session
- Key issues for next Congress to include border security, immigration reform, UAVs, chemical and biological weapons
- Thompson to take over House Homeland Security Committee

## HOUSE HOMELAND SECURITY COMMITTEE

Rep. Bennie Thompson (D-MS), currently the Ranking Member of the House Homeland Security Committee, is expected to take the gavel in the 116th Congress. A Thompson-led Committee will focus on election security, UAVs, border security and the treatment of immigrants, while ramping up oversight of DHS in general. In particular, Thompson may question DHS officials about the Department's response to Puerto Rico in the aftermath of Hurricane Maria, as well as the Department's procurement practices, especially concerning small and disadvantaged businesses. As DHS expands its focus on vetting people, we can also expect increased attention to issues of privacy.

Leadership on the Republican side will change, as Chairman Michael McCaul (R-TX) is term limited on the Committee. Next in line is Rep. Mike Rogers (R-AL)—unless he is nominated to replace Heather Wilson as Air Force Secretary, as some have speculated will happen.

## SENATE APPROPRIATIONS COMMITTEE

With Republicans holding control of the Senate, Sen. Shelley Moore Capito (R-WV) will remain Chairwoman of the Homeland Security Appropriations Subcommittee. The race in Montana is still too close to call, but if Sen. Jon Tester (D-MT) loses, his absence will create an open spot for the Ranking Member.

## HOUSE APPROPRIATIONS COMMITTEE

With Democrats controlling the House, Ranking Member Rep. Lucille Roybal-Allard (D-CA) will most likely take over the gavel as Chairwoman of the Homeland Security Appropriations Subcommittee. Long an advocate for the just and humane treatment of immigrants and refugees, Roybal-Allard will strongly oppose funding increases for a border wall or policies that promote the detention of individuals seeking asylum.

The Republican side is more uncertain, as Chairman Kevin Yoder (R-KS) was defeated in his reelection bid. With the loss of Yoder, add yet another vacancy to the roster of cardinals. Rep. Steve Womack (R-AR), Rep. Chuck Fleischmann (R-TN) will now move up in seniority and would be candidates for the open Ranking Member slot on the Subcommittee. Rep. Jaime Herrera Beutler (R-WA) is another candidate for the position, though her race has not been called yet.

# INTERNATIONAL AFFAIRS

Foreign affairs will remain a priority for both the 116th Congress and the Trump Administration as challenges arise across the globe. The list of geopolitical hot spots is long and growing: the South China Sea, Syria, Yemen, Venezuela and Afghanistan, to name a few. Tensions with Iran are on the rise, while evidence of Russian election interference continues to mount. Relations with North Korea remain a work in progress, and the recent brutal killing of journalist Jamal Khashoggi could upend the nation's relations with Saudi Arabia. Meanwhile, thousands are making their way from Central America in a caravan to the U.S.-Mexican border.

Funding to address some of these issues will be front and center during the lame duck session, as Congress attempts to complete negotiations on the FY 2019 State, Foreign Operations and Related Programs (SFOPS) Appropriations bill. Spending for the programs in this bill remains under a continuing resolution until Dec. 7 and could become subject to a partial government shutdown if Congress and the Administration fail to reach a deal.

Looking ahead to FY 2020, the Administration will likely continue to target foreign aid spending for major reductions in its budget request. And with Congress under divided control, finding common ground will become increasingly difficult.

The next Congress will also oversee the early days and appointment of the board of the new U.S. International Development Finance Corporation, which was established by passage of the BUILD Act in October. The new agency merges the U.S. Agency for International Development's (USAID) development finance programs with the Overseas Private Investment Corporation (OPIC) to facilitate sustainable, broad-based economic growth, poverty reduction and development.

## SENATE FOREIGN RELATIONS COMMITTEE

There will be a new Chairman of the Senate Foreign Relations Committee following the pending retirement of Sen. Bob Corker (R-TN). Sen. Jim Risch (R-ID) is favored to take the gavel. Currently the Chairman of the Subcommittee on the Near East, South Asia, Central Asia and Counterterrorism, Risch is a strong supporter of President Trump and has come to his defense on issues such as North Korea, Russia and immigration. A Risch-led Committee will likely be more deferential to the Administration than it had been under Corker, who frequently challenged the Administration on its policies toward Russia and NATO and was a champion for global human

### KEY TAKEAWAYS

- FY 2019 SFOPS spending bill awaits resolution in the lame duck session
- President Trump likely to seek foreign aid cuts again in FY 2020 budget request
- Major leadership changes ahead for House and Senate authorizing committees

rights. Sen. Bob Menendez (D-NJ) survived a hard-fought reelection campaign and will remain Ranking Member of the Committee in the 116th Congress.

## HOUSE FOREIGN AFFAIRS COMMITTEE

With Democrats taking control of the House, House Foreign Affairs Committee Ranking Member Eliot Engel (D-NY) is all but guaranteed to take over as Chairman. Engel is staunchly pro-Israel and a hawk on Iran. He will likely use the Committee to take a stronger stance against Russia and intensify scrutiny of Saudi Arabia. He may also pursue investigations of Russia's influence on the 2016 and 2018 elections, and Trump's relationship with Russian President Vladimir Putin, as well as challenge the Administration on human rights.

On the Republican side, the race for Ranking Member will likely be contentious. Current Chairman Ed Royce (R-CA) is retiring at the end of this Congress. Of the most senior incumbents, Rep. Dana Rohrabacher (R-CA) was defeated in the midterms, and Rep. Chris Smith (R-NJ) was passed over for the gavel in 2012. The frontrunner is likely Rep. Michael McCaul (R-TX), who floated his name for the gavel earlier in the year. However, Freedom Caucus member Rep. Ted Yoho (R-FL) has made his intentions known.

## SENATE APPROPRIATIONS COMMITTEE

With Republicans maintaining control of the Senate, expect stability on the SFOPS Appropriations Subcommittee, with Sen. Lindsey Graham (R-SC) remaining as Chairman and Sen. Patrick Leahy (D-VT) as Ranking Member. Over the past two budget cycles, Graham and Leahy have restored most of the significant cuts proposed by the Trump Administration to foreign aid.

## HOUSE APPROPRIATIONS COMMITTEE

Rep. Nita Lowey (D-NY), who is expected to take over as Chairwoman of the full House Appropriations Committee following the Democrats' recapture of the House, may also choose to lead the SFOPS Appropriations Subcommittee, of which she is currently the Ranking Member. If she gave up the subcommittee gavel, the likely beneficiary would be either Rep. Adam Schiff (D-CA) or Rep. Barbara Lee (D-CA). Rep. Hal Rogers, the current Chairman of the subcommittee, will likely move to Ranking Member unless there is a reshuffling of Republican cardinals following the race for Ranking Member of the full Committee.

# TAX

Last year's passage of the 2017 Tax Cuts and Jobs Act ("2017 Tax Act") and its aftereffects will remain a central focus of the tax world following the 2018 midterms. As Treasury finalizes regulations and businesses continue to digest the effects of the bill during its first tax filing season in spring 2019, pressure will mount to legislatively address ambiguous or unexpected results of the bill left unresolved by the regulations.

The lame duck session of the 115th Congress figures to be active on tax. There is bipartisan, bicameral interest in reconciling differences between House and Senate IRS reform legislation, passing retirement tax legislation (part of "Tax 2.0" in the House), and extending and potentially modifying a group of approximately 26 tax "extenders"—provisions that Congress often extends retroactively, most recently in the 2018 Bipartisan Budget Act. While less likely, there is also the potential for Congress to use the opportunity presented by a tax vehicle to take on other tax provisions, including: technical corrections to the 2017 Tax Act, outright policy changes to the 2017 Tax Act and other small-bore tax provisions for which sufficient pressure has been built up to act, particularly in the Senate. In addressing the so-called "grain glitch" or "co-op" pass-through fix within the March 2018 omnibus, Senate Democrats choreographed a potential path for tackling more complex and partisan tax policies in the 2018 lame duck. In this scenario, Senate Democrats could achieve some preferred tax policy victories (in March, it was a plus-up of the Low-Income Housing Tax Credit or LIHTC) in exchange for policies desired by Republicans (or both parties).

With a reconciliation vehicle available for FY 2019, there is the outside possibility that congressional Republicans may attempt a fast-track reconciliation process (or use the threat of one) during the lame duck session to advance controversial tax agenda items. Although the prospects for enactment into law at this time are very long, the Senate may also consider further extending temporary policies from the 2017 Tax Act, as advanced in the House as part of "Tax 2.0."

Although now under divided control, Congress will not stop legislating on tax. However, tax policy in the 116th Congress may play a supporting rather than central role in possible efforts to advance infrastructure, health and environmental legislation.

## KEY TAKEAWAYS

- Lame duck session could be active on tax issues
- Implementation of 2017 Tax Cuts and Jobs Act to be a continued focus in next Congress
- Tax-writing committees may play supporting role on health care, infrastructure financing
- Expect a battle over Trump's tax returns

## SENATE FINANCE COMMITTEE

With Chairman Orrin Hatch (R-UT) retiring and Republicans holding the Senate, Sen. Chuck Grassley (R-IA) is the overwhelming favorite to retake the gavel at the Finance Committee after last handing it over to former Sen. Max Baucus (D-MT) in January 2007. Under Republican Conference rules, Grassley retains two years of eligibility as Chairman of Finance. Should a dramatic turn of events keep him at the Judiciary Committee he currently chairs, Sen. Mike Crapo (R-ID) would take the gavel.

As Chairman, Grassley may shake up the Committee's Republican senior staff while continuing to engage with Treasury on implementation of the 2017 Tax Act and with stakeholders on improvements and technical corrections to the law. The Committee may also engage on infrastructure, particularly on surface transportation financing, before the highway reauthorization bill (the FAST Act) expires at the end of FY 2020. Senate Democrats, led on tax by Minority Leader Chuck Schumer (D-NY) and Finance Committee Ranking Member Ron Wyden (D-OR), will likely continue to use pressure for improvements and changes to the 2017 Tax Act to try to extract concessions from the majority on small-scale tax policy items favored by the Senate Democratic Caucus.

A Republican-led Finance Committee may also have a role to play if, as expected, House Democrats demand to see President Trump's tax returns (see House Ways and Means section below). Legal and political debates over this issue may be muddy, and Chairman Grassley may find himself and his Members under pressure to support the President in declining to fully disclose documents requested by the House.

## HOUSE WAYS AND MEANS COMMITTEE

Following Democrats' takeover of the House, current Ranking Member Richard Neal (D-MA) figures to take up the gavel of the Committee on Ways and Means for the first time, swapping roles with current Chairman Kevin Brady (R-TX). Neal has operated as a relative pragmatist for many years and is well-served by a deep and experienced staff, many of whom served in the House majority or the Senate in the past.

A Neal-led Committee may seek to advance Democratic campaign priorities such as conducting oversight activities over the Administration, rolling back the 2017 Tax Act, using the tax code to address income inequality, creating a "public option" for health care or some form of "Medicare for All," and advancing financing mechanisms for infrastructure or environmental policy. Chairman Neal may seek to kill two birds with one stone and use rollbacks of the 2017 Tax Act, such as increasing the corporate rate or limiting the top individual rate, to produce offsets for Democratic spending priorities.

In any event, Chairman Neal is likely to begin the 2019 legislative session by invoking authority under Section 6103 of the tax code to request President Trump's tax returns from Treasury,

beginning what will likely be a lengthy political and legal battle that could dominate the tax-writing committees throughout the 116th Congress and the 2020 election season.

Neal is a longtime champion of enhancing tax-favored retirement savings and expanding the Earned Income Tax Credit (EITC) to cover childless earners, and may take up legislation along those lines in the 116th. In the case of the EITC, Neal may pursue policies similar to Sen. Kamala Harris' (D-CA) proposed EITC expansion legislation.

House Democrats may also attempt to address climate change through the tax code. Democrats may pursue hearings on the subject, or work to generate consensus within the caucus on a range of possible approaches, including a revenue-positive carbon tax, a revenue-neutral carbon tax, or a tax-and-dividend approach, but would face challenges in attempting to return to their 2009 efforts on an emissions trading regime.

Brady's institutional expertise and collegial relationship with Neal may give him more influence than a typical House Ranking Member during the final two years of his tenure (as determined by Republican Conference rules). Expect to see several new Republican members on the Committee in the next Congress, as several current members will depart at the end of this term. Reps. Lloyd Smucker (R-PA), Jodey Arrington (R-TX) and Ron Estes (R-KS), among others, are contenders for those slots. Democrats will add several seats at the Committee, with names under possible consideration including Reps. Brad Schneider (D-IL), Gwen Moore (D-WI), Cedric Richmond (D-LA), Dan Kildee (D-MI) and Stephanie Murphy (D-FL).

# TECH & TELECOM

The outcome of the 2018 elections will have a significant impact on the Congressional approach to technology and telecommunications policy issues. The Commerce committees in both the House and Senate will have new leadership, and congressional scrutiny of the major technology and social media companies that began this year will only intensify during the 116th Congress, especially in the Democratic-controlled House. Debates over consumer protection and privacy could turn increasingly partisan. Other key issues in the next Congress will include data security, 5G deployment, election interference and rural broadband access. Expected turnover of key personnel in the Trump Administration, along with divided control of Congress, will complicate efforts to pass meaningful legislation.

## KEY TAKEAWAYS

- New Chairs for both House and Senate Commerce committees
- Key issues to include consumer privacy, 5G deployment, cyber security and election interference
- Scrutiny of major tech companies will intensify

## SENATE COMMERCE, SCIENCE AND TRANSPORTATION COMMITTEE

Sen. Roger Wicker (R-MS) is widely expected to become Chairman of the Senate Commerce, Science and Transportation Committee in the new Congress, succeeding Sen. John Thune (R-SD), who is expected to vacate the position to move into a Senate leadership role. Sen. Bill Nelson (D-FL) is locked in an extremely close race that looks to be undecided for a while, since a recount has been ordered. Should Nelson hold on to his seat, he will remain Ranking Member. Wicker and Nelson have a decent working relationship and should be able to agree on some mainstream issues.

If Nelson were to lose his race, Sen. Maria Cantwell (D-WA) could assume the Ranking Member position. Currently the Ranking Member on the Senate Energy and Natural Resources Committee, Cantwell may jump to Commerce because of the Committee's jurisdiction over many issues that directly impact the state of Washington. Wicker and Cantwell have not often worked together, so the dynamic between the two will be interesting and important to watch. However, both Senators have an extensive history of working across the aisle (Cantwell on certain tax provisions, and Wicker on numerous telecommunications, transportation and fisheries issues). Expect Chairman Wicker to roll out a series of hearings and policy initiatives in the first 100 days as part of his plan to hit the ground running. Regulatory reforms will also be a priority.

## HOUSE ENERGY AND COMMERCE COMMITTEE

Rep. Frank Pallone (D-NJ) will ascend to chair the House Energy and Commerce Committee next Congress. The Ranking Member will be Rep. Greg Walden (R-OR). Pallone and Walden generally get along well and are switching roles on the Committee. Formerly the Ranking Member of the Health Subcommittee, Pallone has more experience with health issues than technology. In fact, his personal office website does not list technology or telecommunications among his key issues of focus. Expect Rep. Mike Doyle (D-PA), the likely Chairman of the Communications and Technology Subcommittee, and Rep. Jan Schakowsky (D-IL), the likely Chairwoman of the Digital Commerce and Consumer Protection Subcommittee, to play key leadership roles.

One key change is expected on the Republican side, as Communications and Technology Subcommittee Chairman Marsha Blackburn (R-TN) will leave the House at the end of this term after winning her election to the Senate.

Net neutrality will be a prominent issue for House Democrats, even while the issue is before the courts. Look for oversight hearings on the Department of Commerce, Department of Energy, Department of Health and Human Services, the Federal Communications Commission and the Federal Trade Commission. Also expect oversight hearings regarding White House activities, such as Jared Kushner's Innovation Initiative. Additionally, House Democrats will prioritize privacy, data breaches and cybersecurity as key issues. Critical to the success of any of these initiatives will be whether Chairmen Pallone and Wicker can work together and how the White House will participate in the debate.

## APPROPRIATIONS COMMITTEES

Several House and Senate appropriations subcommittees are expected to consider technology and telecommunications funding in the 116th Congress, including Agriculture; Commerce, Justice, State; Defense; Financial Services; Homeland Security; and Labor, Health and Human Services, and Education. Key issues will include telecommunications in rural areas, technology supply chain management, telemedicine, cybersecurity and cyber espionage. Interestingly, the debate over border wall funding will be of particular interest to the technology sector. Since House Democrats are expected to vigorously oppose construction of an actual wall, a potential compromise could be a significant investment in products and services that can create a “virtual” wall via technology.

# TRADE

Upcoming big-ticket trade items for the 116th Congress include: pending ratification of the United States-Mexico-Canada Agreement (USMCA); consultations with Congress on trade negotiations with the European Union, the United Kingdom, and Japan; progress on trade discussions with China; and other ongoing actions concerning tariffs. Soon after the convening of the 116th Congress, congressional leaders will select members of the congressional advisory groups on negotiations to consult with and provide advice to the U.S. Trade Representative regarding the development of trade agreements and negotiating strategies.

While the Administration's trade policies maintain momentum in the Senate, President Trump's tactics will face increased scrutiny in a Democratic-controlled House of Representatives. The election results dim the outlook for a near-term trade accord with the Philippines given that country's record on human rights matters. With increasing concern about the President's use of congressionally delegated authority to levy tariffs, Democratic leaders promise to call upon Administration officials to testify on these trade policies—particularly concerning China—and demand that the Administration consult more with Congress on trade matters. However, party-line divisions on trade seem to be drawn somewhat differently now. Traditional critics of free trade have been supportive of some of the Administration's actions and the newly negotiated USMCA. It is unclear whether House Democrats will revert to more conventional positions on trade – or simply vote against Trump's trade priorities -- in the new Congress.

## KEY TAKEAWAYS

- USMCA vote will be key trade issue for 116th Congress
- Grassley likely to take over as Chairman of Senate Finance Committee
- President Trump will now answer to Democratic leadership of House Ways and Means Committee on trade matters

## SENATE FINANCE COMMITTEE

With the pending retirement of Senate Finance Committee Chairman Orrin Hatch (R-UT), Sen. Chuck Grassley (R-IA) will likely take over the gavel. In this event, Grassley would be giving up his chairmanship of the Judiciary Committee. Sen. Ron Wyden (D-OR), who has called the Trump Administration's record on trade "overhyped and under-delivered," will continue to serve as the Ranking Member of the Senate Finance Committee. Grassley, who has generally supported Trump's trade agenda, will likely use his powerful post on Senate Finance to address China's unfair trade practices and policies, including the theft of U.S. intellectual property. At the same time, he will try to ease disruptions from the use of tariffs in the U.S.-China trade dispute, including defending farmers who shoulder retaliatory tariffs. With regard to reducing trade barriers, look for Grassley's support in shepherding USMCA and other future trade accords through the congressional approval process.

Subcommittee on International Trade Ranking Member Sen. Bob Casey (D-PA), along with Sens. Debbie Stabenow (D-MI) and Ben Cardin (D-MD), all of whom also currently serve on the international trade subcommittee, won their reelection bids. However, the subcommittee will see changes as Sen. Claire McCaskill (D-MO) lost her reelection bid to Missouri Attorney General Josh Hawley (R), and Sen. Dean Heller (R-NV) lost his seat to Rep. Jacky Rosen (D-NV). The fate of Sen. Bill Nelson (D-FL) was too close to call at time of publication.

## HOUSE WAYS AND MEANS COMMITTEE

The 116th Congress will see Democratic leaders take control of the House Ways and Means Committee, which has jurisdiction over international trade matters. Rep. Richard Neal (D-MA), the Ranking Member on the panel, will likely serve as next Chairman of the full Committee. With regard to Republican leadership on trade matters, look for current House Ways and Means Committee Chairman Kevin Brady (R-TX) to stay on as Ranking Member. Under Chairman Neal, who has criticized Republicans' disengagement on trade policy and lack of oversight over the continuing U.S.-China dispute, look for increased scrutiny of the President's trade discussions, a renewed focus on trade adjustment assistance to support U.S. workers through job retraining, and a push for trade policies that vigorously enforce worker rights and environmental protections. With regard to tariffs, look for a bipartisan push to streamline the exclusion process to relieve pressure on American businesses hurt by the crackdown on China; the recent Section 232 additional tariffs on steel and aluminum prompted more than 38,000 exclusion requests.

The Ways and Means Committee uses the "Martin Rule" to determine subcommittee membership and gavels based on full committee seniority. The top slot on the Trade Subcommittee would fall to the most senior Member who prefers to claim it. Rep. Sandy Levin (D-MI), the longstanding Democratic dean on trade policy who currently holds the Health Subcommittee gavel, retires at the end of this session. If Reps. Lloyd Doggett (D-TX) and John Lewis (D-GA) choose to maintain their leadership positions at the Tax Policy and Oversight subcommittees, respectively, Rep. Mike Thompson (D-CA) or Rep. John Larson (D-CT) are next in line to stake their claim to leadership at the Trade Subcommittee, with Reps. Earl Blumenauer (D-OR), Ron Kind (D-WI) and Bill Pascrell (D-NJ) also possible candidates for the top Trade slot.

Other slots held by Republican members of the Trade Subcommittee will open up. Trade Subcommittee Chairman Dave Reichert (R-WA) retires at the end of this session. Rep. Erik Paulsen (R-MN) lost his reelection bid to Twin Cities businessman Dean Phillips, and Rep. Kristi Noem (R-SD) won her bid for South Dakota Governor.

## SENATE APPROPRIATIONS COMMITTEE

The Senate Appropriations Subcommittee on Commerce Justice, Science, and Related Agencies (CJS) funds important trade-related functions of the U.S. government, including the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the office of the United States Trade Representative (USTR). Chairman Jerry Moran (R-KS) and Ranking

Member Jeanne Shaheen (D-NH) are expected to maintain their top slots on the subcommittee. Chairman Moran, who represents Kansan farmers bearing the brunt of tariff retaliation, will continue to urge the President to rapidly reduce trade conflicts with conventional U.S. allies to focus on issues related to China's unfair trade practices. Subcommittee members facing reelection in 2018 included Sens. Dianne Feinstein (D-CA) and Joe Manchin (D-WV), both of whom won their campaigns.

## HOUSE APPROPRIATIONS COMMITTEE

Rep. José Serrano (D-NY), the current Ranking Member on the subcommittee, is expected to take over as Chairman. Rep. Serrano, a supporter of imposing tariffs on countries that manipulate currency, will likely use the Chairman's gavel to call upon USTR to show a more vigorous and comprehensive strategy with regard to China. Democratic candidate and Houston lawyer Lizzie Fletcher is projected to defeat Rep. John Culberson (R-TX) opening up the top subcommittee slot for Republicans. As there will be several shifts to top Republican slots on the Appropriations committee due to the switch to Democratic control, it is hard to forecast who will replace Culberson as the CJS subcommittee top Republican.

# TRANSPORTATION & INFRASTRUCTURE

Despite all the talk during the past 24 months about the possibility of major new investments in infrastructure, both from President Trump and Congress, political and fiscal realities have restrained policy makers from fulfilling promises in this area. Nevertheless, infrastructure remains an issue with strong bipartisan support and will remain on the short list of top agenda items in the coming year. Meanwhile, an upcoming deadline to reauthorize the highway bill will also bring transportation front and center in the 116th Congress.

The Trump Administration has continued to tout the benefits of Congress moving forward with an infrastructure package that could include forms of public-private partnerships and private investment through tax incentives. A combination of these incentives could attract investors willing to lend money to state and local governments to fund new infrastructure projects and address deferred maintenance of public assets like roads, bridges, airports, railroads, water systems and the like. A future infrastructure package could also address the depletion of the Highway Trust Fund, permitting and regulatory requirements, and innovative project finance methods. The new House Democratic majority, meanwhile, will put a priority on the oversight of labor agreements, consumer choice and price transparency, and transportation safety for motor carriers, the rail industry and pipelines. Expect House Democrats to start infrastructure hearings as early as January, with the goal of passing a bill by May.

The Fixing America's Surface Transportation (FAST) Act is scheduled to expire on Sept. 30, 2020. The House and Senate are likely to begin holding stakeholder hearings in the coming year in preparation for final passage of a bill sometime in 2020. Absent passage of a new bill, the nation's long-term funding for highways, public transportation, motor carrier safety, hazardous material safety, rail and research programs will expire. The process of considering the bill will provide a forum for the discussion of a number of other ground transportation-related items, including the AV Start Act and other driverless vehicle provisions. Any significant increases in public transportation infrastructure investment must contend with the solvency of the Highway Trust Fund. Leaders in the Administration and on Capitol Hill have proposed a number of possible solutions, including gas tax increases, new user fees based on vehicle miles traveled, funding from the general treasury, and imposition of a carbon tax. Most of these proposals fall under the jurisdiction of the House Ways and Means and Senate Finance committees, which may not be prepared to enter the policy debate without strong leadership from the White House.

## KEY TAKEAWAYS

- House Democrats to push infrastructure legislation, a possible opportunity to work with President Trump
- Reauthorization of FAST Act on tap for next Congress
- Major leadership changes ahead for key authorizing committees

With the recent passage of the Federal Aviation Administration (FAA) Reauthorization Act, there is no immediate pressure on Congress to address airports or airlines or any number of other relevant transportation stakeholders in the 116th Congress. However, Members may choose to conduct oversight of the bill's implementation, especially in the House.

The Senate will also move forward with the confirmation of nominees to still-vacant appointments at the FAA, Department of Transportation, National Highway Traffic Safety Administration, Federal Transit Administration, Surface Transportation Board, Amtrak's Board of Directors, and the Metropolitan Washington Airport Authority's board.

## SENATE AUTHORIZATION COMMITTEES

Sen. John Thune (R-SD) is expected to pursue a Senate leadership slot in the next Congress. If he is successful, it will open up the chairmanship of the Senate Commerce, Science, and Transportation Committee, with Sen. Roger Wicker (R-MS) probably next in line. On the Democratic side, Sen. Bill Nelson's (D-FL) election is too close to call at the time of publication of this document. Should he prevail, Nelson will remain the Ranking Member of Senate Commerce. If he loses, however, Sen. Maria Cantwell (D-WA) is a leading contender to replace him. Sen. Amy Klobuchar (D-MN) could then become Ranking Member on the Subcommittee on Aviation Operations, Safety and Security.

Sen. John Barrasso (R-WY) will move into his second term as Chairman of the Environment and Public Works (EPW) Committee next Congress with Sen. Tom Carper (D-DE) remaining as Ranking Member. As the EPW Committee has primary jurisdiction over reauthorization of the FAST Act (along with the Banking Committee for transit issues, and the Finance Committee on revenue and trust fund issues), the ability of these two leaders to work across party lines will greatly affect progress on infrastructure policy. This pairing also well represents the divergence of views from rural areas where population centers are separated by long, less-traveled highways and those who represent more urban areas with greater reliance on mass transit and commuter rail systems.

## HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Rep. Peter DeFazio (D-OR) will move from Ranking Member to Chairman of the House Transportation and Infrastructure Committee. Democratic leadership on at least one subcommittee will change, as Rep. Mike Capuano (D-MA), the Ranking Member on the Subcommittee on Railroads, Pipelines, and Hazardous Materials, was defeated in a primary and will not return in the 116th Congress. Rep. Rick Larsen (D-WA) is expected to take over as Chairman of the Subcommittee on Aviation, where he currently serves as Ranking Member. Priorities for a DeFazio-led Committee will include pursuing ways to finance investments in infrastructure, shoring up the Highway Trust fund, raising the cap on the Passenger Facility Charge (PFC), investigating the Federal Bureau of Investigation's headquarters consolidation

project, conducting oversight of the Federal Aviation Administration Reauthorization Act of 2018 and scrutinizing the President's real estate business interests.

Leadership on the Republican side of the Committee is uncertain, as Chairman Bill Shuster (R-PA) is retiring at the end of the current Congress. Rep. Sam Graves (R-MO) and Rep. Jeff Denham (R-CA) are his most likely replacements. Most of the subcommittees on the Republican side will also experience leadership turnover. Rep. Frank LoBiondo (R-NJ), the Chairman of the Subcommittee on Aviation, and Rep. Lou Barletta (R-PA), the Chairman of the Subcommittee on Economic Development, Public Buildings and Emergency Management, are both leaving the House at the end of this Congress. Depending on who wins the race for Ranking Member, either Graves (Highways and Transit) or Denham (Railroads, Pipelines, and Hazardous Materials) will give up a subcommittee panel.

### SENATE APPROPRIATIONS COMMITTEE

Sen. Susan Collins (R-ME) will retain the chairmanship of the Subcommittee on Transportation, Housing, and Urban Development (T-HUD), with Sen. Jack Reed (D-RI) remaining as Ranking Member. Collins' priorities will include lifting the PFC cap.

### HOUSE APPROPRIATIONS COMMITTEE

Rep. David Price (D-NC), the Ranking Member of the T-HUD subcommittee, is expected to take the gavel, switching roles with Rep. Mario Díaz-Balart (R-FL), the current Chairman. Price's priorities include transportation maintenance, integrated regional and multimodal transportation planning and development, and high-speed rail systems.

# VIEW FROM THE STATES



# GEORGIA

Georgia voters cast their ballots in large numbers with 60.4 percent turnout. As of early Wednesday morning, Georgia Secretary of State Brian Kemp (R) was leading in the race for governor, though the margin was only 75,000 votes out of 3.87 million that were cast. The Democrat in the race, Stacey Abrams, has not conceded and vows to stay in the race until outstanding votes, absentee ballots and provisional ballots are counted. Abrams' campaign believes once those are tallied, a runoff will occur. Georgia law requires that a candidate must receive 50 percent plus one vote in order to win an election. Notably, Libertarian Ted Metz took .94 percent of the votes in the race for Governor. There will be a runoff for Secretary of State and Public Service Commission, though the remaining constitutional offices remained Republican.

## KEY TAKEAWAYS

- Georgia has been ranked as the #1 state in the nation in which to do business for the past six years and voters decided to continue this momentum
- GOP remains in control of House and Senate
- Likely GOP control of Governor

## GOVERNOR

If Kemp emerges as the winner, Georgia would remain under total GOP control for at least the next two years. Rural Georgia was key to Kemp's success as voters outside of metro Atlanta overwhelmingly supported his candidacy. Kemp would be sworn in to office when the legislative session convenes on Jan. 14, 2019. Kemp's campaign focused on continuing current Republican Gov. Nathan Deal's legacy and keeping Georgia's status as the best state for business. Kemp would first focus on appointing agency heads and crafting a budget for his first year in office. As for Abrams, even if she falls short in the race for Governor, she is worth watching in the future as a star of the Democratic Party both statewide and nationally.

The GOP maintained control of almost every constitutional office with Lt. Gov. Geoff Duncan, Attorney General Chris Carr, and Agriculture Commissioner Gary all winning their races on Tuesday. State House Rep. Brad Raffensperger (R) and former Rep. John Barrow (D) will head to a runoff for Secretary of State. This election was crucial to the future control of the state as Kemp and the GOP-controlled Assembly will oversee redistricting in 2021 after the 2020 census is completed.

## STATE SENATE

Unlike the House, the makeup of the State Senate saw little change from yesterday's election. The GOP controlled 36 of 56 Senate seats and only lost two seats. The most competitive seats were in the Atlanta metro area, reflecting the trend toward Georgia turning purple. The more rural Senate districts continue to be overwhelmingly Republican. For the first time in 12 years,

the Senate will have a new presiding officer with Lt. Gov. Geoff Duncan taking the gavel. Duncan will replace current Republican Lt. Gov., Casey Cagle, who lost to Kemp in the GOP primary for Governor. The Senate leadership will likely remain the same with Senate President Pro Tempore Butch Miller (R) in charge of Senate Republicans.

## STATE HOUSE

Most, if not all, of the competitive races were in the metro counties of Fulton, Cobb, and Gwinnett and saw a number of incumbents lose their seats. The House will see several new members when the 2019 session convenes on Jan. 14. House Republicans controlled 114 seats prior to election day and saw their number reduced by 10, leaving them with 104 members. This year, twelve sitting Chairmen announced their retirement or resignation, so Speaker David Ralston (R) will be busy appointing new members to Chairmanships as well as electing a new Majority Whip. The House has spent the past two years traveling the state to discuss the challenges of rural Georgia so expect to see a legislative effort focused on rural Georgia in the 2019 session.

## SUMMARY

Georgia voters came out in large numbers to vote. It appears likely Brian Kemp will edge out Stacey Abrams, meaning Georgians are hoping the state will continue to run as it has under retiring Governor Deal's leadership. With control of the Governor's office, House and Senate, the Republicans will be able to pursue their agenda with few obstacles in January. Their agenda is likely to include statewide highspeed broadband access, growing small businesses, teacher pay increases, and access to healthcare in rural areas.

# ILLINOIS

Illinois was the site for several targeted Congressional races and contested statewide elections, including an expensive race for Governor. Democrats scored big victories as they won every statewide office, picked up two new Congressional seats, two seats in the Illinois Senate and six seats in the State House of Representatives, with two additional seats in the state House too close to call. The results in Illinois were a tale of two electorates - the City of Chicago along with its close-in suburbs and the rest of the state. High voter turnout in and around Chicago served to help boost Democrats to victory in statewide and legislative races. Four of the most heavily contested races for the U.S. House were in Illinois. Two districts in the Chicago area switched from the Republicans to Democrats, while two districts farther away from Chicago remained in Republican hands.

## KEY TAKEAWAYS

- Blue wave was felt in elections around Illinois
- Two GOP congressional seats won by Democrats
- Dems take Governor's office with Pritzker win
- High voter turnout in Chicago, Cook county and Chicago suburbs
- Attention turns to Chicago elections for mayor and council

## GOVERNOR

The most expensive campaign in Illinois history was the race for Governor between incumbent Republican Gov. Bruce Rauner and Democrat J.B. Pritzker. Pritzker declared victory on election night with a projected 54 percent of the vote to Rauner's 39 percent. Rauner was never able to gain steam due to voter fatigue over his four year fight with the General Assembly and Governor-elect Pritzker's ability to spend more in the race than Rauner. Pritzker poured \$170 million of his personal wealth into the race. Almost \$250 million in total was spent on the race.

## STATEWIDE RACES

The closest statewide election was the race for Attorney General between Democrat Kwame Raoul, a State Senator from Chicago, and Erika Harold, an attorney and former Miss America from downstate Urbana. Harold asserted that she would be the only check on complete Democratic control of state government. Both sides spent heavily on the race but Raoul prevailed by a margin of 54 percent to 43 percent.

Other contested statewide elections included races for Comptroller, Treasurer and Secretary of State, with all three incumbent Democrats winning handily. Predictions are that Comptroller Susana Mendoza will announce her intention to run for Mayor of Chicago in the coming days.

## STATE SENATE

The Chicago suburbs saw the most action in Senate races where Democrats attempted to increase their super-majority by defeating incumbent and appointed Republicans. Democrats had a significant cash advantage throughout the campaign. The GOP had hoped to benefit from campaign donations from Gov. Rauner, but his contributions never materialized. This cash advantage, along with a favorable makeup of the seats up for election, resulted in the Senate Democrats picking up two seats. The makeup of the Senate will be 39 Democrats and 20 Republicans.

## STATE HOUSE

All House seats in the state were up for election in 2018. Both House caucuses were confronted with two distinct electorates that could generally be defined by opinion of President Trump. In Chicago and the close in suburbs (or "collar counties") antipathy toward Trump ran high, creating significant headwinds for Republican candidates. Alternatively, downstate saw an electorate more supportive of Trump creating challenges for Democrats. Complicating this for Republicans was the poor showing by Gov. Rauner, whose inability to reach agreement with a Democratic legislature on budgets lead to widespread voter dissatisfaction with Republicans. Democrats in the House, led by longtime House Speaker Michael J. Madigan, were able to vastly outraise and outspend Republicans in almost every contest across the state. This financial advantage allowed Democrats to play offense in a number of GOP districts, resulting in Democratic gains of six seats, with two other seats too close to call.

## SUMMARY

Democrats will control the Governor's office and both chambers of the General Assembly in the upcoming session. Expectations will be heightened for a capital spending bill including infrastructure improvements around the state. The sources of new revenue will likely be a major point of contention in any new capital spending plan.

# IOWA

Iowa has a reputation for reelecting incumbents, particularly at the federal and gubernatorial levels. While that trend held with the reelection of Governor Kim Reynolds (R) and Republicans keeping control of the State Legislature, two of Iowa's four incumbent Members of Congress were defeated. Reps. Rod Blum (R) and David Young (R) both lost to Democratic Challengers.

Among the issues to be considered for next year's Iowa General Assembly are likely to include personal and corporate tax reform, changes to Iowa's Medicaid system, access to mental health services, infrastructure, and water quality.

## KEY TAKEAWAYS

- Iowa Republicans maintained control of the state legislature
- Three of Iowa's four Congressional Seats now held by Democrats
- Kim Reynolds (R) is the first woman in Iowa's history to be elected governor

## GOVERNOR

Current Gov. Kim Reynolds (R) was elected as Iowa's first elected female governor, defeating Des Moines businessman Fred Hubbell (D) by a margin of 50 to 47 percent. Reynolds assumed the governorship after Gov. Terry Branstad (R) resigned to become U.S. Ambassador to China. The race was not an easy win for Reynolds, as Hubbell brought extensive private sector and government service to the race, proved to be a prolific fundraiser, and spent over \$6 million of his own money. Hubbell's fundraising helped even the financial playing field, which typically favor incumbents, to make the race highly competitive.

## CONGRESS

There are now more Democrats in Iowa delegation than Republicans. State Rep. Abby Finkenauer (D) defeated Blum and Cindy Axne (D) defeated Young (R). From the outset, Blum trailed Finkenauer in all public polling. Not convinced that Finkenauer would prevail until it was too late, national groups came to rescue Blum by investing substantial resources on his behalf in the final weeks of the campaign. Axne defeated incumbent David Young in Iowa's third district by 5,000 votes, winning 49 to 47 percent. This is the fourth time in six years this seat has changed hands. In two other congressional races, incumbents prevailed, with Dave Loebsack (D) and Steve King (R) beating Democratic challengers. King's race was highly targeted by Democrats to no avail.

## STATE SENATE

Republicans strengthened their majority in the Senate, with only half of the Iowa Senate seats up for reelection. Six of the races were open, while 10 races had Democratic incumbents and

nine races had Republican incumbents. Despite a difficult race of his own, Majority Leader Jack Whitver (R) led his caucus to an impressive victory, winning all but one Republican incumbent race and picking up three additional seats. Going into 2019, Republicans hold a 32 to 18 majority in the Senate. The leadership in the Senate is not expected to change with Majority Leader Whitver and Senate President Charles Schneider (R) remaining in their positions.

## STATE HOUSE

Prior to the election, Republicans had a 59 to 41 majority in the Iowa House of Representatives. Confidence was high that Democrats would pick up seats in the House and possibly even the majority, but that proved to be too steep hill to surmount. After a hard-fought election, Republicans maintained a 54 to 46 majority. As with the Senate, House Leadership is expected to remain the same with Speaker Linda Upmeyer (R) and Majority Leader Chris Hagenow (R) leading the Republican caucus.

## OTHER STATEWIDE RACES

Several other statewide races were highly competitive with both parties spending substantial resources. Republican incumbents Mike Naig and Paul Pate prevailed in the races for Secretary of Agriculture and Secretary of State, respectively. Democratic newcomer Rob Sand defeated Mary Moisman (R) in the race for State Auditor, while two Democratic incumbents, current Attorney General Tom Miller and State Treasurer Mike Fitzgerald, were reelected to their offices.

## 2020 PRESIDENTIAL ELECTION

As the first state in the presidential primaries, Iowa voters have already been introduced to an array of Democratic candidates considering or who have already declared presidential bids. Potential 2020 candidates who have visited Iowa include Sen. Cory Booker (D-NJ), Sen. Amy Klobachar (D-MN), Sen. Kamala Harris (D-CA), Sen. Jeff Merkley (D-OR), Gov. Steve Bullock (D-MT), former Gov. Terry McAuliffe (D-VA), Gov. John Hickenlooper (D-CO), Rep. John Delaney (D-MD), Rep. Tim Ryan (D-OH), LA Mayor Eric Garcetti, billionaire Tom Steyer, lawyer Michael Avenatti and former Vice President Joe Biden.

In the 2016 presidential election, Iowa selected Donald J. Trump over Sec. Hilary Clinton by 10 points. The swing toward Democrats in the Congressional elections this year may indicate that Iowa could be open to Democrats taking it in the 2020 presidential. What's certain is that Iowa will maintain its status as a critical state in both the presidential primary and general elections.

# LOUISIANA

Louisiana's Congressional Delegation, which includes Majority Whip Steve Scalise, was reelected with minimal opposition. On the ballot were several municipal elections, six constitutional amendments, and a special election to fill the seat of Secretary of State, as the previous occupant resigned over a sex scandal. Interim Secretary of State Kyle Ardoin (R) and Gwen Collins-Greenup (D) will meet in a runoff election on Dec. 8. Louisiana is one of several states with off-year elections, setting up 2019 as a pivotal year for the state to be a focus of national attention. U.S. Sen. John Kennedy (R) will announce by Dec. 1 whether he will run for Governor next year.

## CONGRESSIONAL

With Democrats controlling the U.S. House, Rep. Cedric Richmond, the state's lone Democratic member, is poised to play a key role either in shaping his party's leadership. He is finishing his term as chair of the powerful Congressional Black Caucus (CBC) and last week sent a letter to the full Democratic Caucus stating that one of the top two positions (Speaker of the House or Majority Leader) should come from the CBC. For Republicans, Rep. Steve Scalise will likely continue in his role as the party's Whip, the number two position in leadership behind Minority Leader. The prevailing thinking is that there is no scenario where Scalise runs for Governor next year.

## GOVERNOR

Democratic Gov. John Bel Edwards is expected to run for reelection and currently has a 60 percent favorability and in excess of \$5 million in his campaign account. Wealthy businessman Eddie Rispone announced he will run for governor and has contributed \$5 million of his personal wealth towards his efforts so far. Other Republicans reportedly considering bids for governor include Sen. Kennedy, Rep. Ralph Abraham, Attorney General Jeff Landry, and State Senator Sharon Hewitt. Sen. Kennedy released a poll in October showing him with a sizable lead over Edwards in a hypothetical match up.

## THE LEGISLATURE

Under Louisiana's jungle primary system, all candidates appear on the same ballot, regardless of party, and voters may vote for any candidate, regardless of their party affiliation. If no candidate

## KEY TAKEAWAYS

- State elections will be held in 2019
- Six vacancies in the State House due to members winning races for local office
- Lack of interest in running for office (a third of major offices on the previous ballot were decided without opposition)-expect this trend to continue

receives a majority of the votes during the primary election on Oct. 12, 2019, a runoff election will be held on Nov. 16, 2019, between the top two candidates in the primary.

While Republicans are bullish on growing their majorities in both chambers of the legislature, that optimism does not necessarily translate to the gubernatorial race. The campaign for governor is likely to be a heated and costly affair with the potential for national groups to put heavy resources into the state.

The biggest issues to be considered after the 2019 election will be the contemplation of a constitutional convention, congressional and legislative redistricting, and an anticipated state budget reform agenda.

## STATE SENATE

Term limits will force 16 of the state's 39 state senators to retire, although some may run for another office. At least two have already announced their intention to run for the state House of Representatives, moving back to the "lower" chamber. Only one seems to be interested in pursuing a statewide office. There will be significant jockeying for leadership of the Senate leading up to the 2019 election as current Senate President John Alario (R) is term-limited.

## STATE HOUSE

As a result of State Representatives running for other offices, there will be at least six vacancies in the State House. Marcus Hunter and Chris Hazel became judges, Kenny Havard and Major Thibaut became Parish Presidents, Jeff Hall became a Mayor, and Bob Hensgens won a special election to become a State Senator.

Much like the Senate, the state House will also see the effects of term limits, which will force 34 of the 105 Representatives to retire or move on. Several will likely seek state Senate positions, but none have thus far expressed interest in running statewide. Interestingly, there have been 14 resignations or vacancies since Jan. 2016, the beginning of this term.

# MARYLAND

Even though Maryland is a predominantly Democratic state, incumbent Republican Gov. Larry Hogan defeated Democratic challenger Ben Jealous by 13 points, marking the first time in half a century that a Republican governor has won reelection in Maryland. Maryland's Congressional Delegation had one open seat—won by Democrat David Trone—and the rest of the delegation won their bids for reelection.

In the General Assembly, Republicans made picked up one Senate seat and Democrats gained at least five in the House. Democratic majorities retain the ability to override Gov. Hogan's vetoes in both chambers. The Senate will see significant turnover in its leadership and Committee Chairs. Both Sen. Mike Miller and Del. Mike Busch will likely retain their gavels as the Presiding Officers of the Senate and House respectively.

## GOVERNOR

Gov. Hogan won with an impressive 56 percent of the vote, defeating Democrat Ben Jealous. Hogan maintained a 67 percent approval rating among Marylanders, making him one of the most popular governors in the nation. Hogan enjoyed wide support from both the GOP and moderate Democrats in Maryland who approve of his across-the-aisle politics. Interestingly, Ben Jealous received more votes in this election than either Larry Hogan or his opponent Anthony Brown did in 2014, but he still lost overwhelmingly to the popular incumbent governor.

Hogan is likely to remain focused on issues such as tax relief, combatting Maryland's opioid crisis, and developing the Purple Line light rail in Montgomery County. The Hogan Administration will also seek increased public education funding and prioritize Chesapeake Bay restoration efforts. Hogan will be sworn in for a second term on Jan. 16, 2019.

## STATE SENATE

The Maryland Senate experience nearly 40 percent turnover in 2019 due to retirements and election results. Republicans sought to flip five seats, which would have blocked the Democrats' 29-vote supermajority in the Senate. While three Senate races still hinge on a difference of less than 1 percent, the chamber will still be strongly controlled by the Democrats. The Senate President has announced the four Major Standing Committee Chairs and Vice Chairs, with other assignments announced before Jan. 9.

## KEY TAKEAWAYS

- Incumbent Gov. Hogan (R) defeats Democrat Jealous with 56 percent
- GOP gains one seat in Senate, but Democrats keep veto-proof majority
- Democrats gain at least five seats in state House

## STATE HOUSE

With the addition of at least five new Democratic held seats, Speaker Busch reversed the trend of declining Democratic seats since the early 2000s. A shakeup in the House is coming as a result of longtime Judiciary Committee Chairman Joe Vallario's defeat, Vice Chair of Economic Matters Sally Jameson's retirement, and Majority Leader Bill Frick leaving to run for Montgomery County Executive. The Speaker has announced that Del. Luke Clippinger will take over as Chairman of the Judiciary Committee and Del. Vanessa Atterberry as Vice Chair. Del. Kathleen Dumais will become Majority Leader.

The House will tilt more liberal than in the past which may contrast with Speaker Busch's less progressive agenda. The House will try to find common ground with Gov. Hogan to address challenges such as funding for K-12 education, health care costs, the opioid crisis, construction and infrastructure needs, and retiree health and pension benefits.

## SUMMARY

While Maryland is currently enjoying a comfortable budget surplus from a strong economy, expect Gov. Hogan to be pressured by the legislature to move forward with significant increases to education and other funding priorities.

Maryland's Congressional Delegation will become a significant factor in federal issues as the U.S. House of Representatives moved under Democratic control. Gov. Hogan has maintained an arm's length relationship with President Trump, yet federal actions play such a significant role in Maryland's economy that he will likely find it necessary to work more closely with the Delegation. Of note, Rep. Steny Hoyer (D) could again be elected Majority Leader and Rep. Elijah Cummings (D) will become Chairman of the House Committee on Oversight and Government Reform, where much of the Democrats efforts to hold Trump Administration accountable will occur.

# MISSISSIPPI

Mississippi becomes the focus of national attention as it prepares for a U.S. Senate race to be decided in a runoff election Nov. 27. With only federal contests on the ballot this year, citizens of the Magnolia State had the rare opportunity to cast a vote in two U.S. Senate contests. Other Congressional incumbents easily won election as did the GOP candidate for an open House seat.

Rep. Bennie Thompson, the lone Democrat in the state's Congressional delegation, is poised to have a major role in the new House Majority as chairman of the Homeland Security Committee. In the Senate, the race to finish the remainder of Sen. Thad Cochran's term will go to a runoff between the incumbent Republican Sen. Cindy Hyde-Smith and former Democratic Rep. Mike Espy. Incumbent Sen. Roger Wicker easily won reelection and will likely take the gavel at the powerful Senate Commerce, Science and Transportation Committee.

## KEY TAKEAWAYS

- Nov. 27 runoff election to fill remainder of Sen. Cochran's term
- 2019 elections for all statewide and legislative districts
- Major turnover among statewide offices in 2019

## GOVERNOR

In 2019, Mississippi will hold elections for all statewide, legislative, and local elected officials. A new governor will be elected as Republican Governor Phil Bryant's term is limited from seeking reelection. Incumbent Republican Lt. Gov. Tate Reeves is likely to face off against Democratic Attorney General Jim Hood, in what will be a highly contested race. Hood is the only statewide elected Democrat and both he and Reeves should be well-financed for the 2019 campaign. In addition to a new Governor, it is expected many other statewide elected officials will turn over as well. The Lt. Gov., Attorney General, Secretary of State, and Treasurer are all likely to have new occupants in those offices. Republican State Auditor Shad White and Agriculture Commissioner Andy Gipson, who were both appointed by Gov. Phil Bryant to fill the remaining term of their respected vacated offices, will be testing their names on the statewide ballot for the first time. In addition, new faces are expected at the Public Service Commission and possibly the Mississippi Transportation Commission.

## THE LEGISLATURE

While the past three years have been relatively eventful given Republican supermajorities in both the House and Senate, the 2019 legislative session is not expected to include much contentious legislation. Expect a relatively quiet legislative session, outside of the customary appropriation bills that are passed on an annual basis. Among the few items which could bring lengthy debate are the ability for electric cooperatives to sell broadband services to its members

and the potential for a statewide teacher pay raise. Much attention will be focused toward the Mar. 1, 2019, filing deadline for legislative and statewide candidates.

## STATE SENATE

Mississippi Republicans currently hold a 33-19 supermajority in the state Senate and expect to maintain a majority following the 2019 elections. While several state Senators have already announced retirement or are seeking a higher office, those districts are expected to remain in Republican control. With Lt. Gov. Tate Reeves being term limited, a new president of the Senate will take the gavel in 2020. It is worth noting that Mississippi's Lt. Gov. has impressive constitutional authority and is empowered to appoint all Senators to each committee, appoint a Committee Chair irrespective of the majority party, and refer all bills to committee(s) of his or her choosing. One of the nation's longest serving legislators, Sen. Tommy Gollott is expected to run for reelection after 52 years in the Mississippi Legislature. Gollott, who has served in both the House and Senate has long dominated the political scene of the Mississippi Gulf Coast.

## STATE HOUSE

Republicans have a 74 to 48 supermajority in the state house. The House of Representatives has seen quite a few members leave the chamber over the past few years due to resignations, retirements, or movement to higher office. Additional turnover is likely to continue with the 2019 elections; however, Republicans anticipate maintaining a majority for the 2020 session as well. Two-term Speaker of the House, Phillip Gunn, should remain the top House Republican in the next term and the majority of Republicans with powerful chairmanships are expected to return as well.

# TEXAS

Texas voters continued a trend started in 1998 by electing Republicans to all 27 statewide offices. Resources and voter turnout activities for the Republican Governor and Lieutenant Governor campaigns spilled over to help carry incumbent Sen. Ted Cruz to victory. National attention and record fundraising for Democratic Rep. Beto O'Rourke's Senate bid, combined with President Trump's tepid 50 percent approval rating in Texas, forced Republicans to play defense to protect Cruz.

Campaign spending and turnout levels in Texas reached historic levels as hundreds of millions of dollars went towards a handful of competitive races. The three highest profile incumbents, Gov. Greg Abbott, Lt. Gov. Dan Patrick, and Sen. Cruz all emphasized the state's strong business climate—specifically in the energy sector, and the low tax and light regulatory environment for all sectors—in their appeals to voters. Overall turnout nearly reached 2016 presidential levels and Rep. O'Rourke came within three points of being the first Texas Democrat elected to the U.S. Senate since Lloyd Bentsen in 1988.

## KEY TAKEAWAYS

- GOP sweeps all statewide offices
- Sen. Ted Cruz re-elected
- Republicans maintain supermajority in state Senate
- GOP loses 12 State House seats but keeps majority

## GOVERNOR

Gov. Abbott sailed to reelection by 14 points against a poorly-funded Democratic challenger, former Dallas County Sheriff Lupe Valdez. Gov. Abbott remains the most popular statewide elected official and one of the most popular governors in the country with an approval rating of 57 percent. He will be sworn in on Jan. 15. Despite the retirement of his occasional nemesis, House Speaker Joe Straus (R), Abbott is likely to face a contentious legislative session that will focus on issues such as school finance, property taxes, Medicaid spending, public education, college affordability, and use of the state's Rainy-Day Fund.

Gov. Abbott's hand in dealing with the Legislature will be somewhat strengthened by his convincing win and continued popularity (particularly with Republicans), as well as his efforts to protect down ballot candidates. However, he took the unprecedented step of endorsing and donating money to the primary challengers of three Republican incumbents in the Texas House of Representatives. Only one of his endorsed challengers beat the incumbent, and, as a result, Abbott has lost political capital. Abbott's ability to move his political agenda will largely depend on who the next Speaker is and whether the Governor is able to repair frayed relationships.

## STATE SENATE

The Texas Senate will seat 19 Republicans and 11 Democrats, a net loss of one seat for Republicans, who picked up a Democratic seat in a west Texas special election while losing two seats on Election Day. Lt. Gov. Dan Patrick (R) won re-election with just 51 percent of the vote but will exercise more authority in the Senate than in previous sessions as Republicans maintain the supermajority needed to advance their agenda.

Expect efforts to lower the franchise and property taxes, as well as enactment of a fiscally conservative state budget that still provides funding for infrastructure projects. Legislation to strengthen border security, reform school finance, and push controversial social issues will be on the agenda. Hovering over the entire legislative session will be the Hurricane Harvey recovery effort and related funding questions. Leadership has committed to spending some of the Rainy-Day Fund on this effort. The level of funding will depend on how much federal money is available and other competing demands placed on the fund.

## STATE HOUSE

The House saw the most pronounced down ballot effect of O'Rourke's popularity in the state, with 12 Republican incumbents losing their seats. The Republican-Democrat split in the House will move from 95 to 55 currently to 83 to 67 in the coming year, with most of the Republican casualties occurring in two large population centers, Houston and Dallas.

For the first time in a decade the House will be amid a high-profile Speaker's race brought on by the retirement of Speaker Joe Straus (R). Candidates for Speaker have been jockeying for votes from their colleagues and no consensus favorite has emerged yet. Since the Speaker appoints Committee Chairs and determines which legislation will move forward, it is difficult to divine exactly what the House agenda will be during the next session. Look for property tax relief, school finance reform, Medicaid expansion, debt obligations for state pensions, retiree health care, and infrastructure to be among priority items considered.

# APPENDIX

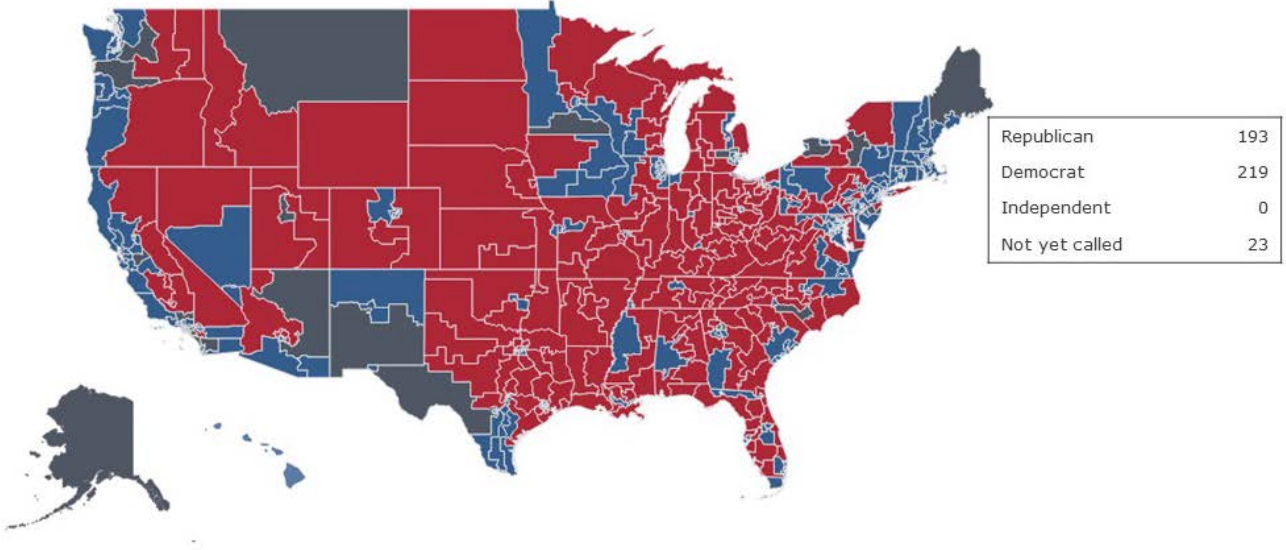


APPENDIX A – HOUSE ELECTION RESULTS  
APPENDIX B – SENATE ELECTION RESULTS  
APPENDIX C – INCOMING & OUTGOING MEMBER LISTS  
APPENDIX D – CBO'S BASELINE BUDGET PROJECTIONS  
APPENDIX E – KEY TRENDS

# APPENDIX A – HOUSE RESULTS

## 2018 U.S. House election results map

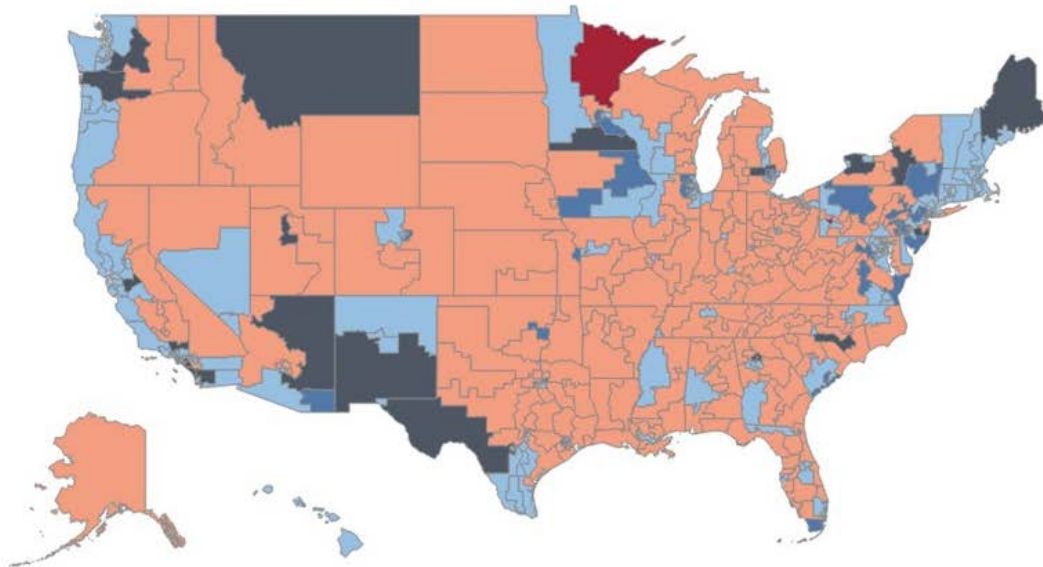
■ Republican won ■ Democrat won ■ Election not yet called



Source: National Journal Research

## Change of seats in the US House after the 2018 midterms

■ Democratic gain (28) ■ Democratic hold (191) ■ Republican gain (2) ■ Republican hold (191)  
 ■ Election not yet called (23)



Source: National Journal Research

## 2018 MIDTERM ELECTIONS – HOUSE RACES TO WATCH RESULTS

District	Democratic Candidate	DEM %	GOP Candidate	GOP %	FLIP
AK-AL	<i>Alyse Galvin *</i>	45.8	Don Young	54.2	NO
AR-2	<i>Clare Tucker</i>	45.8	French Hill	52.2	NO
<b>AZ-1</b>	<b>Thomas O'Halleran</b>	<b>53.3</b>	<b>Wendy Rogers</b>	<b>46.7</b>	<b>TBD</b>
AZ-2	<i>Ann Kirkpatrick</i>	53.3	<i>Lea Marquez Peterson</i>	46.7	YES
AZ-8	<i>Hiral Tipirineni</i>	43.3	Debbie Lesko	56.7	NO
CA-4	<i>Jessica Morse</i>	44.7	Tom McClintock	55.3	NO
CA-7	Ami Bera	52.7	<i>Andrew Grant</i>	47.3	NO
<b>CA-10</b>	<b>Josh Harder</b>	<b>49.4</b>	<b>Jeff Denham</b>	<b>50.6</b>	<b>TBD</b>
CA-16	Jim Costa	54.4	<i>Elizabeth Heng</i>	45.6	NO
CA-21	<i>TJ Cox</i>	46.3	David Valadao	53.7	NO
CA-22	<i>Andrew Janz</i>	44.2	Devin Nunes	55.8	NO
<b>CA-25</b>	<b>Katie Hill</b>	<b>51.3</b>	<b>Stephen Knight</b>	<b>48.7</b>	<b>TBD</b>
<b>CA-39</b>	<b>Gil Cisneros</b>	<b>48.6</b>	<b>Young Kim</b>	<b>51.4</b>	<b>TBD</b>
<b>CA-45</b>	<b>Katie Porter</b>	<b>48.3</b>	<b>Mimi Walters</b>	<b>51.7</b>	<b>TBD</b>
<b>CA-48</b>	<b>Harley Rouda</b>	<b>50.7</b>	<b>Dana Rohrabacher</b>	<b>49.3</b>	<b>TBD</b>
<b>CA-49</b>	<b>Mike Levin</b>	<b>52.4</b>	<b>Diane Harkey</b>	<b>47.6</b>	<b>TBD</b>
CA-50	<i>Ammar Campa-Najjar</i>	45.8	Duncan Hunter	54.2	NO
CO-3	<i>Diane Mitsch Bush</i>	43.3	Scott Tipton	52	NO
CO-6	<i>Jason Crow</i>	53.1	Mike Coffman	44.2	YES
FL-6	<i>Nancy Soderberg</i>	43.7	<i>Michael Waltz</i>	56.3	NO
FL-7	Stephanie Murphy	57.7	<i>Mike Miller</i>	42.3	NO
FL-15	<i>Kristen Carlson</i>	46.9	<i>Ross Spano</i>	53.1	NO
FL-16	<i>David Shapiro</i>	45.4	Vern Buchanan	54.6	NO
FL-18	<i>Lauren Baer</i>	45.6	Brian Mast	54.4	NO
FL-25	<i>Mary Barzee Flores</i>	39.5	Mario Diaz-Balart	60.5	NO
FL-26	<i>Debbie Mucarsel-Powell</i>	50.9	Carlos Curbelo	49.1	YES
FL-27	<i>Donna Shalala</i>	51.8	<i>Maria Salazar</i>	45.8	YES
<b>GA-6</b>	<b>Lucy McBath</b>	<b>50.3</b>	<b>Karen Handel</b>	<b>49.7</b>	<b>TBD</b>
<b>GA-7</b>	<b>Carolyn Bourdeaux</b>	<b>49.3</b>	<b>Rob Woodall</b>	<b>50.7</b>	<b>TBD</b>
IA-1	<i>Abby Finkenauer</i>	50.9	Rod Blum	46	YES
IA-3	<i>Cindy Axne</i>	49	David Young	47.5	YES
IA-4	<i>J.D. Scholten</i>	47	Steve King	50.4	NO
IL-6	<i>Sean Casten</i>	52.8	Peter Roskam	47.2	YES
IL-12	<i>Brendan Kelly</i>	45.2	Mike Bost	51.8	NO
IL-13	<i>Betsy Londrigan</i>	49.3	Rodney Davis	50.7	NO
IL-14	<i>Lauren Underwood</i>	51.9	Randy Hultgren	48.1	YES
IN-2	<i>Mel Hall</i>	42.9	Jackie Walorski	57.1	NO
KS-2	<i>Paul Davis</i>	46.4	<i>Steve Watkins</i>	48.1	NO
KS-3	<i>Sharice Davids</i>	53.3	Kevin Yoder	44.2	YES

KY-6	<i>Amy McGrath</i>	47.8	Andy Barr	51	NO
<b>ME-2</b>	<b><i>Jared Golden</i></b>	<b>45.8</b>	<b>Bruce Poliquin</b>	<b>46.1</b>	<b>TBD</b>
MI-1	<i>Matthew Morgan</i>	43.7	Jack Bergman	56.3	NO
MI-3	<i>Cathy Albro</i>	42.5	Justin Amash	55.1	NO
MI-6	<i>Matt Longjohn</i>	45.7	Fred Upton	50.2	NO
MI-7	<i>Gretchen Driskell</i>	46.2	Tim Walberg	53.8	NO
MI-8	<i>Elissa Slotkin</i>	50.6	Mike Bishop	46.8	YES
MI-11	<i>Haley Stevens</i>	52.1	<i>Lena Epstein</i>	44.9	YES
MN-1	<i>Dan Feehan</i>	49.7	<i>Jim Hagedorn</i>	50.3	YES
MN-2	<i>Angie Craig</i>	52.8	Jason Lewis	47.2	YES
MN-3	<i>Dean Phillips</i>	55.7	Erik Paulsen	44.3	YES
MN-7	Collin Peterson	52.1	<i>Dave Hughes</i>	47.9	NO
MN-8	<i>Joe Radinovich</i>	45.2	<i>Pete Stauber</i>	50.7	YES
MO-2	<i>Cort VanOstran</i>	47.1	Ann Wagner	51.3	NO
MT-AL	<i>Kathleen Williams</i>	45.3	Greg Gianforte	52	NO
NC-2	<i>Linda Coleman</i>	45.9	George Holding	51.2	NO
NC-8	<i>Frank McNeill</i>	44.6	Richard Hudson	55.4	NO
<b>NC-9</b>	<b><i>Dan McCready</i></b>	<b>48.8</b>	<b><i>Mark Harris</i></b>	<b>49.4</b>	<b>TBD</b>
NC-13	<i>Kathy Manning</i>	45.5	Ted Budd	51.6	NO
NE-2	<i>Kara Eastman</i>	48.4	Don Bacon	51.6	NO
NH-1	<i>Chris Pappas</i>	53.4	<i>Eddie Edwards</i>	45.1	NO
NJ-2	<i>Jeff Van Drew</i>	52	<i>Seth Grossman</i>	46.2	YES
<b>NJ-3</b>	<b><i>Andrew Kim</i></b>	<b>48.9</b>	<b>Tom MacArthur</b>	<b>49.8</b>	<b>TBD</b>
NJ-5	Josh Gottheimer	55.2	<i>John McCann</i>	43.5	NO
NJ-7	<i>Tom Malinowski</i>	50.3	Leonard Lance	48.2	YES
NJ-11	<i>Mikie Sherrill</i>	55.6	<i>Jay Webber</i>	43.3	YES
NM-2	<i>Xochitl Torres Small</i>	49.5	<i>Yvette Herrell</i>	50.5	NO
NV-3	<i>Susie Lee</i>	51.9	<i>Danny Tarkanian</i>	42.9	NO
NV-4	<i>Steven Horsford</i>	52	<i>Crescent Hardy</i>	43.7	NO
NY-1	<i>Perry Gershon</i>	46.4	Lee Zeldin	52.5	NO
NY-2	<i>Liuba Grechen Shirley</i>	46.7	Peter King	53.3	NO
NY-11	<i>Max Rose</i>	52.8	Daniel Donovan	46.8	YES
NY-19	<i>Antonio Delgado</i>	49.8	John Faso	47.6	YES
NY-21	<i>Tedra Cobb</i>	41.8	Elise Stefanik	56.7	NO
<b>NY-22</b>	<b><i>Anthony Brindisi</i></b>	<b>50.3</b>	<b>Claudia Tenney</b>	<b>49.7</b>	<b>TBD</b>
NY-23	<i>Tracy Mitrano</i>	45	Tom Reed	55	NO
NY-24	<i>Dana Balter</i>	46.9	John Katko	53.1	NO
<b>NY-27</b>	<b><i>Nate McMurray</i></b>	<b>48.4</b>	<b>Chris Collins</b>	<b>49.5</b>	<b>TBD</b>
OH-1	<i>Aftab Pureval</i>	46.4	Steve Chabot	51.8	NO
OH-10	<i>Theresa Gasper</i>	41.9	Michael Turner	56.2	NO
OH-12	<i>Danny O'Connor</i>	47.1	Troy Balderson	51.6	NO
OH-14	<i>Betsy Rader</i>	44.6	David Joyce	55.4	NO

OK-5	<i>Kendra Horn</i>	50.7	Steve Russell	49.3	YES
PA-1	<i>Scott Wallace</i>	48.7	Brian Fitzpatrick	51.3	NO
PA-5	<i>Mary Gay Scanlon</i>	65.1	<i>Pearl Kim</i>	34.9	YES
PA-6	<i>Chrissy Houlahan</i>	58.8	<i>Greg McCauley</i>	41.2	YES
PA-7	<i>Susan Wild</i>	53.4	<i>Marty Northstein</i>	43.5	YES
PA-8	Matt Cartwright	54.6	<i>John Chrin</i>	45.4	NO
PA-10	<i>George Scott</i>	48.6	Scott Perry	51.4	NO
PA-14	<i>Bibiana Boerio</i>	42	<i>Guy Reschenthaler</i>	58	YES
PA-16	<i>Ronald Di Nicola</i>	47.2	Mike Kelly	51.6	NO
PA-17	Conor Lamb	56.1	Keith Rothfus	43.9	YES
SC-1	<i>Joe Cunningham</i>	50.7	<i>Katie Arrington</i>	49.3	YES
TX-2	<i>Todd Litton</i>	45.4	<i>Daniel Crenshaw</i>	53	NO
TX-6	<i>Jana Lynne Sanchez</i>	45.4	<i>Ron Wright</i>	53.1	NO
TX-7	<i>Lizzie Fletcher</i>	52.3	John Culberson	47.7	YES
TX-21	<i>Joseph Kopser</i>	47.5	<i>Chip Roy</i>	50.3	NO
TX-22	<i>Sri Preston Kulkarni</i>	46.4	Pete Olson	51.4	NO
<b>TX-23</b>	<b><i>Gina Ortiz Jones</i></b>	<b>48.8</b>	<b>Will Hurd</b>	<b>49.1</b>	<b>TBD</b>
TX-31	<i>Mary Hegar</i>	47.6	John Carter	50.7	NO
TX-32	<i>Colin Allred</i>	52.2	Pete Sessions	45.9	YES
<b>UT-4</b>	<b><i>Ben McAdams</i></b>	<b>51.3</b>	<b>Mia Love</b>	<b>48.7</b>	<b>TBD</b>
VA-2	<i>Elaine Luria</i>	51.1	Scott Taylor	48.9	YES
VA-5	<i>Leslie Cockburn</i>	46.7	<i>Denver Riggleman</i>	53.3	NO
VA-7	<i>Abigail Spanberger</i>	50.1	Dave Brat	48.7	YES
VA-10	<i>Jennifer Wexton</i>	56.2	Barbara Comstock	43.8	YES
<b>WA-3</b>	<b><i>Carolyn Long</i></b>	<b>47.7</b>	<b>Jaime Herrera Beutler</b>	<b>52.3</b>	<b>TBD</b>
WA-5	<i>Lisa Brown</i>	44.1	Cathy McMorris Rodgers	55.9	NO
WA-8	<i>Kim Schrier</i>	52.9	<i>Dino Rossi</i>	47.1	YES
WI-1	<i>Randy Bryce</i>	42.3	<i>Brian Steil</i>	54.6	NO
WI-6	<i>Dan Kohl</i>	44.5	Glenn Grothman	55.5	NO
WV-3	<i>Richard Ojeda</i>	43.6	<i>Carol Miller</i>	56.4	NO

\* Independent challenging a Republican

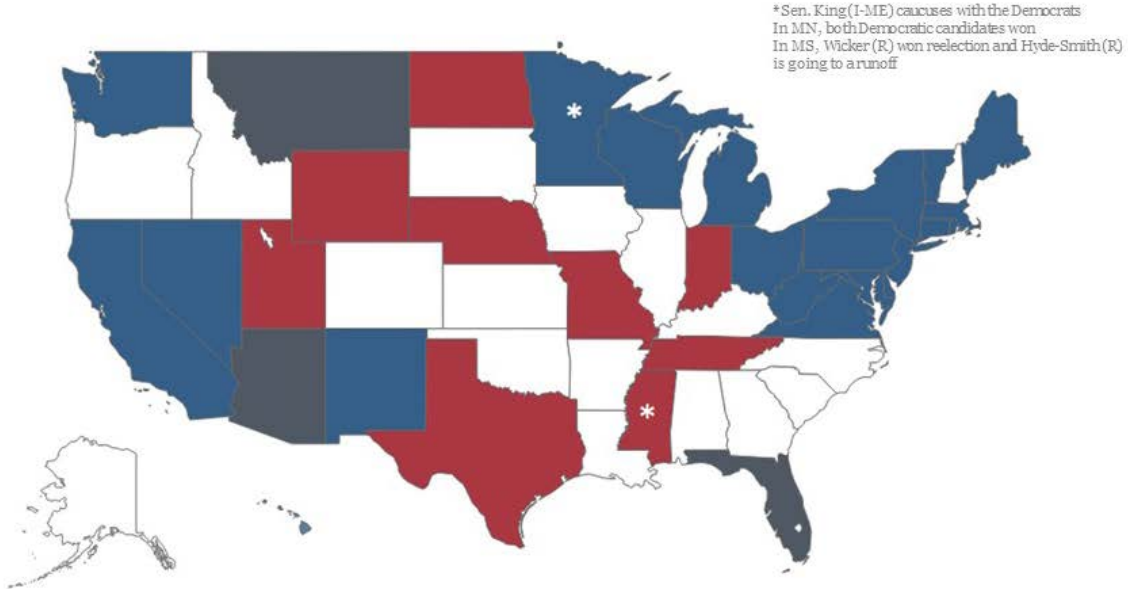
*All results tabulated reported by the Associated Press*

**Races in bold have not been called by the time of publication**

# APPENDIX B – SENATE RESULTS

## 2018 U.S. Senate election results map

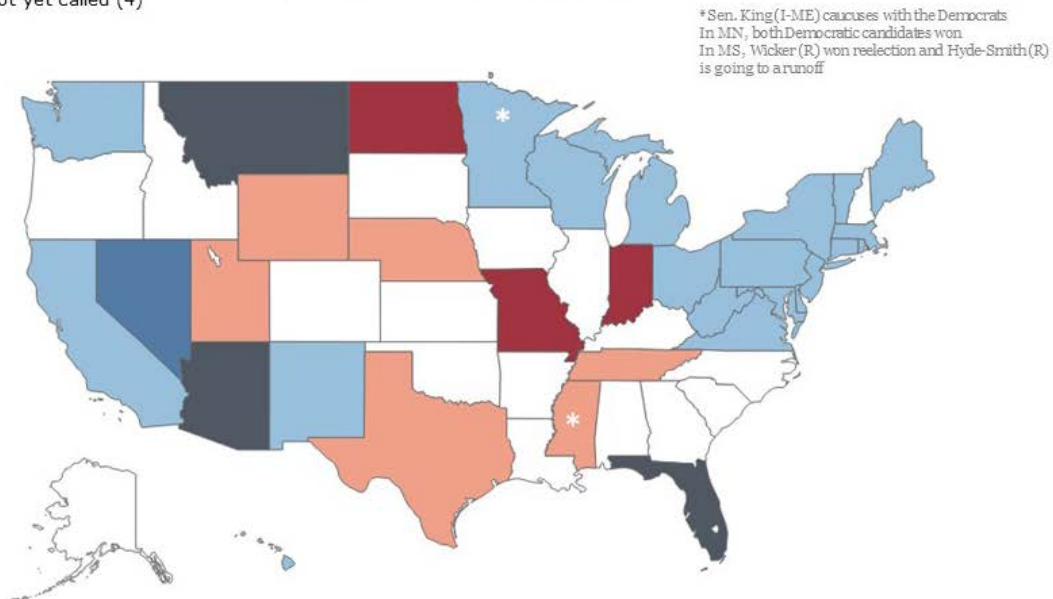
■ Republican won (9) ■ Democrat won (22) ■ Election not yet called (4)



Source: National Journal Research

## Change of seats in the US Senate after the 2018 midterms

■ Democratic gain (1) ■ Democratic hold (21) ■ Republican gain (3) ■ Republican hold (6)  
 ■ Election not yet called (4)



Source: National Journal Research

## 2018 MIDTERM ELECTIONS – SENATE RACES TO WATCH RESULTS

State	Democratic Candidate	DEM %	GOP Candidate	GOP %	FLIP
<b>AZ</b>	<b>Kyrsten Sinema</b>	<b>48.4</b>	<b>Martha McSally</b>	<b>49.3</b>	<b>TBD</b>
<b>FL</b>	<b>Bill Nelson</b>	<b>49.8</b>	<b>Rick Scott</b>	<b>50.2</b>	<b>TBD</b>
IN	Joe Donnelly	43.2	Mike Braun	52.9	YES
MI	Debbie Stabenow	51.7	John James	46.3	NO
MN	Tina Smith	53	Karin Housley	42.4	NO
<b>MS*</b>	<b>Mike Espy</b>	<b>40.9</b>	<b>Cindy Hyde-Smith</b>	<b>41.4</b>	<b>TBD</b>
MO	Claire McCaskill	45.5	Josh Hawley	51.5	YES
MT	Jon Tester	49	Matt Rosendale	48.1	NO
NV	Jacky Rosen	50.4	Dean Heller	45.4	YES
NJ	Bob Menendez	53.1	Bob Hugin	43.8	NO
ND	Heidi Heitkamp	44.6	Kevin Cramer	55.4	YES
OH	Sherrod Brown	53.2	Jim Renacci	46.8	NO
PA	Bob Casey	55.6	Lou Barletta	42.8	NO
TN	Phil Bredesen	43.9	Marsha Blackburn	54.7	NO
TX	Beto O'Rourke	48.3	Ted Cruz	50.9	NO
WV	Joe Manchin	49.5	Patrick Morrisey	46.3	NO
WI	Tammy Baldwin	55.4	Leah Vikmir	44.6	NO

*All results tabulated reported by the Associated Press*

\*Special election - Mississippi law requires a runoff when neither candidate achieves more than 50% of the vote. That runoff will occur on November 27

**Races in bold have not been called by the time of publication**

# APPENDIX C – INCOMING & OUTGOING MEMBER LISTS

## INCOMING MEMBERS

---

### SENATE DEMOCRATS

Jacky Rosen, Nevada

### SENATE REPUBLICANS

Marsha Blackburn, Tennessee

Mike Braun, Indiana

Kevin Cramer, North Dakota

Josh Hawley, Missouri

Mitt Romney, Utah

### HOUSE DEMOCRATS

Colin Allred, TX-32

Cindy Axne, IA-3

Ed Case, HI-1

Sean Casten, IL-6

Angie Craig, MN-2

Jason Crow, CO-6

Joe Cunningham, SC-1

Sharice Davids, KS-3

Madeleine Dean, PA-4

Antonio Delgado, NY-19

Veronica Escobar, TX-16

Abby Finkenauer, IA-1

Lizzie Pannill Fletcher, TX-7

Jesus “Chuy” Garcia, IL-4

Sylvia Garcia, TX-29

Deb Haaland, NM-1

Jahana Hayes, CT-5

Kendra Horn, OK-5

Steven Horsford, NV-4

Chrissy Houlahan, PA-6

Ann Kirkpatrick, AZ-2

Conor Lamb, PA-17

Susie Lee, NV-3

Andy Levin, MI-9

Elaine Luria, VA-2

Tom Malinowski, NJ-7

Joseph Morelle, NY-25

Debbie Mucarsel-Powell, FL-26

Joe Neguse, CO-2

Alexandra Ocasio-Cortez, NY-14

Ilhan Omar, MN-5

Chris Pappas, NH-1

Dean Phillips, MN-3

Ayanna Pressley, MA-7

Max Rose, NY-11

Mary Gay Scanlon, PA-5

Donna Shalala, FL-27

Mikie Sherrill, NJ-11

Elissa Slotkin, MI-8

Abigail Spanberger, VA-7

Greg Stanton, AZ-9

Haley Stevens, MI-11

Rashida Tlaib, MI-13

Lori Trahan, MA-3

David Trone, MD-6

Lauren Underwood, IL-14

Jeff Van Drew, NJ-2

Jennifer Wexton, VA-10

Susan Wild, PA-7

### HOUSE REPUBLICANS

Kelly Armstrong, ND-AL

Jim Baird, IN-4

Tim Burchett, TN-2

Ben Cline, VA-6

Dan Crenshaw, TX-2

Russ Fulcher, ID-1

Anthony Gonzalez, OH-16

Lance Gooden, TX-5

Mark Green, TN-7  
 Michael Guest, MS-3  
 Jim Hagedorn, MN-1  
 Kevin Hern, OK-1  
 Dusty Johnson, SD-AL  
 John Joyce, PA-13  
 Carol Miller, WV-3  
 Dan Mueser, PA-9  
 Greg Pence, IN-6  
 Guy Reschenthaler, PA-14  
 Denver Riggleman, VA-5

John Rose, TN-6  
 Chip Roy, TX-21  
 Ross Spano, FL-15  
 Pete Stauber, MN-8  
 Bryan Steil, WI-1  
 Greg Steube, FL-17  
 Van Taylor, TX-3  
 William Timmons, SC-4  
 Michael Waltz, FL-6  
 Steve Watkins, KS-2  
 Ron Wright, TX-6

## OUTGOING MEMBERS

---

### SENATE DEMOCRATS

Joe Donnelly, Indiana (lost general)  
 Heidi Heitkamp, North Dakota (lost general)  
 Claire McCaskill, Missouri (lost general)

### SENATE REPUBLICANS

Bob Corker, Tennessee (retiring)  
 Jeff Flake, Arizona (retiring)  
 Orrin Hatch, Utah (retiring)

### HOUSE DEMOCRATS

Bob Brady, PA-1 (retiring)  
 Michael Capuano, MA-7 (lost primary)  
 John Conyers, MI-13 (resigned)  
 Joe Crowley, NY-14 (lost primary)  
 John Delaney, MD-6 (retiring)  
 Elizabeth Esty, CT-5 (retiring)  
 Gene Green, TX-29 (retiring)  
 Luis Gutierrez, IL-4 (retiring)  
 Colleen Hanabusa, HI-1 (ran for gov., lost primary)  
 Ruben Kihuen, NV-4 (retiring)  
 Sander Levin, MI-9 (retiring)  
 Michelle Lujan Grisham, NM-1 (won NM gov)  
 Rick Nolan, MN-8 (retiring)  
 Beto O'Rourke, TX-16 (ran for Senate, lost general)

Jared Polis, CO-2 (won CO gov)  
 Jacky Rosen, NV-3 (won NV sen)  
 Carol Shea-Porter, NH-1 (retiring)  
 Kyrsten Sinema, AZ-9 (ran for Senate)  
 Louise Slaughter, NY-25 (died)  
 Niki Tsongas, MA-3 (retiring)  
 Tim Walz, MN-1 (won MN gov)

### HOUSE REPUBLICANS

Lou Barletta, PA-11 (ran for Senate, lost general)  
 Joe Barton, TX-6 (retiring)  
 Mike Bishop, MI-8 (lost general)  
 Diane Black, TN-6 (ran for gov., lost primary)  
 Marsha Blackburn, TN-7 (won TN sen)  
 Rod Blum, IA-1 (lost general)  
 Dave Brat, VA-7 (lost general)  
 Jim Bridenstine, OK-1 (administration)  
 Mike Coffman, CO-6 (lost general)  
 Barbara Comstock, VA-10 (lost general)  
 Ryan Costello, PA-6 (retiring)  
 Kevin Cramer, ND-AL (won ND sen)  
 John Culberson, TX-7 (lost general)  
 Carlos Curbelo, FL-26 (lost general)  
 Dan Donovan, NY-11 (lost general)  
 Charlie Dent, PA-15 (resigned)  
 Ron DeSantis, FL-6 (resigned, won FL gov)

Jimmy Duncan, TN-2 (retiring)  
 John Faso, NY-19 (lost general)  
 Rodney Frelinghuysen, NJ-11 (retiring)  
 Tom Garrett, VA-5 (retiring)  
 Bob Goodlatte, VA-6 (retiring)  
 Trey Gowdy, SC-4 (retiring)  
 Gregg Harper, MS-3 (retiring)  
 Jeb Hensarling, TX-5 (retiring)  
 Randy Hultgren, IL-14 (lost general)  
 Darrell Issa, CA-49 (retiring)  
 Evan Jenkins, WV-3 (resigned)  
 Lynn Jenkins, KS-2 (retiring)  
 Sam Johnson, TX-3 (retiring)  
 Raul Labrador, ID-1 (ran for Gov., lost primary)  
 Leonard Lance, NJ-7 (lost general)  
 Jason Lewis, MN-2 (lost general)  
 Frank LoBiondo, NJ-2 (retiring)  
 Martha McSally, AZ-2 (ran for Senate)  
 Patrick Meehan, PA-7 (retiring)  
 Luke Messer, IN-6 (ran for Senate, lost primary)  
 Kristi Noem, SD-At Large (won SD gov)  
 Erik Paulsen, MN-3 (lost general)

Steve Pearce, NM-2 (ran for Gov., lost general)  
 Robert Pittenger, NC-9 (lost primary)  
 Ted Poe, TX-2 (retiring)  
 Dave Reichert, WA-8 (retiring)  
 Jim Renacci, OH-16 (ran for Senate, lost general)  
 Todd Rokita, IN-4 (ran for Senate, lost primary)  
 Tom Rooney, FL-17 (retiring)  
 Peter Roskam, IL-6 (lost general)  
 Ileana Ros-Lehtinen, FL-27 (retiring)  
 Dennis Ross, FL-15 (retiring)  
 Keith Rothfus, PA-17 (lost general)  
 Ed Royce, CA-39 (retiring)  
 Steve Russell, OK-5 (lost general)  
 Paul Ryan, WI-1 (retiring)  
 Mark Sanford, SC-1 (lost primary)  
 Pete Sessions, TX-32 (lost general)  
 Bill Shuster, PA-9 (retiring)  
 Lamar Smith, TX-21 (retiring)  
 Scott Taylor, VA-2 (lost general)  
 Dave Trott, MI-11 (retiring)  
 Kevin Yoder, KS-3 (lost general)  
 David Young, IA-3 (lost general)

# APPENDIX D – CBO’S BASELINE BUDGET PROJECTIONS

CBO’s Baseline Budget Projections, by Category, in Billions of Dollars															
	Actual,													Total	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-	2019-	
													2023	2028	
Revenues	3,316	3,338	3,490	3,678	3,827	4,012	4,228	4,444	4,663	5,002	5,299	5,520	19,234	44,162	
Outlays	3,982	4,142	4,470	4,685	4,949	5,288	5,500	5,688	6,015	6,322	6,615	7,046	24,893	56,580	
Deficit (-) or Surplus	-665	-804	-981	-1,008	-1,123	-1,276	-1,273	-1,244	-1,352	-1,320	-1,316	-1,526	-5,660	-12,418	
Debt Held by the Public	14,665	15,688	16,762	17,827	18,998	20,319	21,638	22,932	24,338	25,715	27,087	28,671	n.a.	n.a.	
Source: CBO’s April 2018 report <i>The Budget and Economic Outlook: 2018 to 2028</i> . Table 4-1 <a href="http://www.cbo.gov/publication/53651">www.cbo.gov/publication/53651</a>															
OMB Mid-Session Review deficit	-890	-1085	-1076	-1011	-952	-875	-749	-659	-608	-549	-458				

# APPENDIX E – KEY TRENDS

## INTERESTING DATA POINTS FROM THE 2018 ELECTIONS:

- An estimated 113 million Americans voted in the 2018 midterm elections.
- 49% of eligible voters participated. In the last midterm election of 2014, only 36.4% of eligible voters participated.
- Projections indicate **2018 will be the most expensive midterm in history** with more than \$5 billion spent.
- Women cast an estimated 52% of all votes. Women voted Democratic over Republican by almost 20% according to exit polling.
- Nearly a dozen congressional candidates raised more than \$25 million during the 2018 cycle. 37 House Democratic candidates raised more than \$4 million.
- A record 476 women filed to run for the House this cycle, shattering the previous all-time high of 298. A record 235 women won their party’s nomination, and at least **96 women were elected to the House on Tuesday, an all-time high. The 116<sup>th</sup> Congress will see at least 117 women in office, also an all-time high.** Women currently make up approximately 20 percent of the 115<sup>th</sup> Congress (107 women—84 in the House and 23 in the Senate)—that figure will jump to at least 22 percent in the 116<sup>th</sup>.
- **More non-incumbent women were elected to Congress than ever before** (at least 31).
- If Nancy Pelosi (D-CA) retakes the Speaker’s gavel, **she will be the first person to reclaim the position since Sam Rayburn in 1955.**
- Midterm elections generally move in the same direction. **The last midterm election where the President’s party lost seats in one chamber of Congress but gained seats in the other occurred in 1982**, when Republicans lost 27 seats in the House and picked up a seat in the Senate.



[WWW.CGAGROUP.COM](http://WWW.CGAGROUP.COM) | [@CGAGROUP](https://twitter.com/CGAGROUP)

WASHINGTON, DC

ANNAPOLIS, MD

ATLANTA, GA

AUSTIN, TX

BATON ROUGE, LA

CHICAGO, IL

DES MOINES, IA

JACKSON, MS

HOUSTON, TX

SPRINGFIELD, IL

